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**ESTABLISHED 1887** 

Strikes

No. 32,714

PARIS, SATURDAY, APRIL 30, 1988

## U.S. Extends Guard For Ships in Gulf

By George C. Wilson

Washington Post Service
WASHINGTON - President of the land of the party of the Ronald Reagan decided on Friday to extend U. S. Navy protection in the Gulf to include neutral ships but will not spell out when this will be done in hopes of deterring would-be attackers with the threat of an American response, administration officials said.

Under Mr. Reagan's plan for widened Gulf protection, officials said, U. S. skippers will be told to respond to calls for help from ships in their immediate area but not to sail all over the Gulf looking for trouble. This limited extension of the Navy umbrella will not require any additional ships in the Gulf. officials said.

Mr. Reagan postponed his deci-sion on whether to add Coast Guard ships to the peacekeeping flotilla in the Gulf, officials said. Several lawmakers protested Friday that sending Coast Guard

#### Kiosk

#### House Rejects Bill on Troops

WASHINGTON (AP) -The House of Representatives overwhelmingly turned down attempts Friday to order U.S. moops brought home from Western Europe and Japan unless the allies spend more for defense.

First, the chamber rejected, 240 to 120, a proposal to bring 30,000 troops a year back from Europe, and 7,000 troops annually from Japan, starting in 1991. Then it voted 332 to 21 against an amendment to withdraw 70,000 troops a year



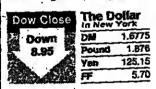
Sir Geoffrey Howe, the British foreign minister, attacked the showing of a TV news report on the Gibral-Page 2. tar killings.

General News

Alghan rebels search for an overall leader as Soviet pullout Page 2 approaches. Business/Finance

Australia's most feared corporate raider, Robert Holmes à Court, has sold control of his flagship company. Page 13.

Special Report In Australia, new waves of immigrants are changing the face of the nation and propelling the country toward the Asia-Pacific region. Pages 7-11.



#### ships to the Gulf would deepen U. S. involvement there and undercut the effort to stanch the flow of drugs into the country.

perience in the Gulf.

Some of the military leaders interviewed Friday had reservations about adding Coast Guard ships to the Gulf, noting they did not carry the anti-missile armament which might be needed.

shallow waterways.

Iran earlier said its forces had shot down a U.S. attack helicopter

ing the status of Marine Captains aid officials and Western diplomats Stephen Leslie, 30, of North Carolina, and Kennedy Hill, 33, of lating thereto."

By Peter T. Kilborn

New York Times Service WASHINGTON - While Pres-

ident Ronald Reagan and Congress

have not come to terms on a new

trade law, they have agreed on an important shift in policy — one that protects U.S. industries and

workers more than it values free

From here on, economists and

political analysts say, the United

States will play the game of trade much like many other countries

play it, making it tougher for for-

eign competition to take business

trade legislation that the Senate passed Wednesday and that the

House of Representatives adopted

April 21. But his objection has little

Mr. Reagan said he opposed a provision in the bill that requires

most companies to give their em-

to do with trade.

On Thursday, the White House ing clause said the president would veto the this year.

away from domestic companies.

# "This proposal is absurd," Scna-

tor Brock Adams, Democrat of Washington, said of the plan to send six Coast Guard ships to the Gulf. Mr. Brock is a former Transportation Department secretary which oversees the Coast Guard One of the main missions of Coast Guard ships is interdicting drug traffic headed for the United

Several Navy leaders interviewed said they welcomed new rules of engagement to allow skippers to intervene when a friendly ship is under attack in their area. "But we don't have the assets to protect ev-erybody all over the Gulf," said one high ranking officer with recent ex-

"Just more bottoms for us to

protect," said one Navy leader. A contrary opinion came from a recent fleet commander in the Gulf who said be needs more small ships than the navy can provide to run in and out of small anchorages and ■ Marines Listed as Killed

The Pentagon on Friday changed the status of two U.S. Marines missing in the Gulf to "killed in action" and defense officials said Reuters reported from Washing-



HORROR OVER HAWAII — Medics and rescue workers tending an injured Airport on the Hawaiian island of Mani after an explosion ripped the plane open passenger next to a Boeing 737 that made an emergency landing at Kahuhii in flight. One crew member was killed and 61 persons were injured. Page 3.

## in action" and defense officials said their helicopter may have been shot down by Iranian forces on April 18, Relief workers say the govern-ment of President Mengistu Haile port of Assab alone, in addition to Mariam has given priority to mili-other relief supplies, are going un-

By Sheila Rule New York Times Service

ADDIS ABABA, Ethiopia -But the Defense Department is people are out of reach of any suicd a statement on Friday change known system of food distribution.

Because of the restrictions, these North Carolina, from missing to officials say, hundreds of thou-killed as "a direct result of hostile sands of tons of donated food are Arsi. action; sustained in combat or re- piling up at ports and may never The statement did not mention being distributed, which means country, as farmers prepare to don't that farmers who must soon plant plant sorghum and corn for the there.

ployees a warning 60 days before layoffs or factory closings.

The president sees the clause as a

sop to organized labor and believes

it would lead to even tougher re-straints eventually on hundreds of

thousands of businesses. For the

presumed Republican candidate.

Vice President George Bush, Mr.

Reagan thus curries the favor of

businessmen, but he also gives the

Democrats an opening to present

themselves as the party of compas-

It was unclear Thursday from

the statements of congressmen and

the administration whether another

trade bill shorn of the plant-clos-

ing clause, might still be enacted

But with that provision as the president's only serious objection, it was apparent that any new bill,

enacted this year or next, will con-

tain the major trade provisions of

the bill the president intends to

More emphatically than before

the United States has signed on to the notion of defending fledgling and foundering industries before letting them loose in world mar-kets. And for the first time, any

likely trade legislation enshrines the notion of "fair" trade, rather

than free trade, as the overriding

goal of government policy. This means that the United States will

play tit for tat with countries -

notably Japan, South Korea, Taiwan and the hig traders of Europe

- that have grown and prospered through largely unfettered access to

the lush U.S. market while blocking

shifts the balance lowards protec-

tionism," said Henry R. Nau, a former member of Mr. Reagan's

See TRADE, Page 5

The bill really significantly

U.S. industry to much of theirs.

U.S. Trade Bill Signals

A Major Shift in Policy

do so. More than 7 million of Ethio-

pas 4/ million people remain in need of emergency relief, according to workers for humanitarian aid earlier it could not confirm that region ravaged by both drought and war, that as many as 2 million people remain in need of emergency relief, according to workers for humanitarian aid groups, who say the worse of the people remain in need of emergency relief, according to workers for humanitarian aid groups, who say the worse of the people remain in need of emergency relief, according to workers for humanitarian aid groups, who say the worse of the people remain in need of emergency relief, according to workers for humanitarian aid groups, who say the worse of the people remain in need of emergency relief. They say the number could rise

because of varying degrees of crop failure in the harvest in several other provinces, including northern Shoa, Wallo, Sidamo, Harar and

The good news is that it has been teach those in need. Seeds are not raining this month in much of the

crops for next year's food cannot next harvest, and that relief operations outside the north are continu-

> International relief workers express fears that buge waves of bungry in Eritrea and Tigre. The The entire relief operation has hungry Ethiopians from the north, where crop failures last year were severe, may soon move to urban centers or down to Sudan in search of food.

tary aims over the need to feed the distributed. government ordered most foreign been left to the government's Relief relief workers to leave the north and Rehabilitation Commission two weeks ago, saying it was acting and a Christian consortium closely for their safety.

The authorities are allowing food tions. But Western relief officials Hundreds of thousands of people died of disease in the country's er areas of Eritrea and Tigre that
last such calamity three years ago.
they control — some estimates are
the government commission can
prove wages. "In 1985, starving people just that the government controls as litshowed up all of a sudden," one 'tle as 10 percent of the territory—
Western diplomat—said, "They as separatist rebels in the provinces four United Nations workers to recould be moving now, and we just claim major victories in their long- turn to the north, but their presence don't know it because we are not running conflicts.

Meanwhile, as much as 240,000 increasing food distribution.

## Worsen In Poland Solidarity Urges

#### Action by Krakow Transit Workers

The Associated Press KRAKOW, Poland - At least 7,000 workers demanding more pay laid down their tools on Friday and occupied three departments of a major heavy machinery plant, as the worst labor unrest in Poland in six years spread to a second fac-

The strike at the Stalowa Wola plant in southeast Poland came on the fourth day of a walkout by at least 12,000 workers at the buge Lenin steel mill at Nowa Huta, outside Krakow. Activists of the outlawed Soli-

darity independent trade union also said they were calling a strike. beginning Saturday, of the Krakow urban transport company in sup-port of the Nowa Huta action. A Solidarity leader in Warsaw

Zbigniew Romaszewski, said leaflets and posters calling for a strike Saturday by local transit workers went up in Plock, a petrochemical center in central Poland.

Meanwhile, the police in War-saw detained a senior Solidarity adviser, Jacek Kuron, on Friday afternoon, a member of Mr. Kuron's household said.

Three plainclothes officers picked up Mr. Kuron at his apartment as he was conducting a telephone interview with a Western radio station, said the source, who asked not to be identified.

Earlier in the day, Mr. Kuron said that 25 persons were detained around the country in the last two days, including two senior Solidarity officials. The chief government okesman, Jerzy Urban, said there had been an unspecified number of preventive detentions.

The government threatened strikers with diamissal, but also announced unspecified steps to im-

The government first said an attempt to start the second strike had failed, but the official news agency PAP later said at least one department of the 18,000-worker Stalowa Wola plant, which has important defense contracts, was not working. In the fourth day of the Nowa

Huta strike, management conducted talks with the plant's official union, but refused to talk to the committee that said it represents at least 16,000 strikers.

Solidarity activists in Krakow's municipal transport company issued a statement saying they were calling for a strike as of 6 A.M. Saturday in support of Nowa Huta workers. The statement said the strike would continue as long as the work stoppage at the steel mill. Solidarity officials warned au-

thorities against using force to break up the Nowa Huta strike. Opposition spokesmen said workers in at least four other towns had declared their support for the strikers and were on strike alert. They threatened more labor action if force was used against the strikers.

The labor unrest is the worst in Poland since the government declared martial law and cracked down on Solidarity in 1981.

The week began with an 11-hour strike by 2,800 transit workers in the western city of Bydgoszcz in which has and tram drivers won 60 percent increases in hourly wages. A Roman Catholic priest in Stalowa Wola, the Reverend Jan

Niemiec, said about 7,000 workers were occupying three departments of the plant. The strike started See POLAND, Page 5

#### By Kathleen Teltsch

New York Times Service
LOS ALTOS, California - David Packard says he has decided to give \$2 billion he amassed in the electronics industry to charitable causes, reflecting a commitment shared with his late wife and their four children. Over the next few years virtually all his stock in Hewlett-Packard Co. will go to the

David and Lucile Packard Foundation, making the philanthropy one of the five or six wealthiest in the United States. The Ford Foundation is the wealthiest, with \$4.7 bil-

"We decided early on this was what we wanted and worked 25 years to get to the point where we can do it." Mr. Packard, 75, said Thursday.

"Assuming the market stays strong," he said, "the stock will be worth even more and the foundation will have \$100 million to spend yearly.

The foundation, incorporated in 1964, now has assets of \$145 million and makes grants of about \$10 million a year, but Mr. Packard has already started to increase its resources substantially.

Its headquarters are a few miles from Stanford University, where Mr. Packard and Wil-

prise in a garage.

Mr. Packard, board chairman of Hewieu-Packard, served as U.S. deputy secretary of defense from 1969 through 1971. More re-

involved with Ethiopian organiza-

is expected to have no real effect on

cently he was chairman of a commission appointed by President Ronald Reagan to recommend changes in Pentagon manage-Mrs. Packard, who died in May, was deepty involved in child health concerns. A sub-stantial share of the foundation's work will be

devoted to protecting infants and children who are at high risk of developing health The foundation will also have a \$10 million

program in population activities, particularly supporting family planning in Third World countries. Reflecting Mr. Packard's interest, there

will be a \$10 million fellowship program for young professors in engineering and science to encourage them to remain in research and

A \$20 million support program will deal with education, family and youth problems. Some of these projects, still being developed, include child care, employment training, grants to black colleges and to programs to curb drug abuse and teen-age pregnancy.

## U.S. Report Indicates Economy Is Firming

Compiled by Our Staff From Dispatches gauge of economic activity shot up

0.8 percent in March, indicating continued growth for the rest of the ing strength in the economy. year, the Commerce Department said Friday.

The March figures, combined with a revised 1.3 percent growth rate in February, gave the Index of Leading Economic Indicators its best back-to-back performance when growth rates of 0.8 percent and 2.2 percent were recorded.

been reported as a much smaller 0.9 percent. The gauge, although still a closely watched indicator of future rate of 655,000 units, after a 14.1 cism from many economists be-

cause of the often sharp month-to-The index at one point after the followed the market collapse. month revisions. October stock market collapse was sending out signals of an impend-

monthly decline in the index. But the initial calculations are subject to substantial revisions recent days, pushed higher by ineven months afterward. With the most recent revisions, the only de-

clines recorded since the stock mar-WASHINGTON — The U.S. ket collapse were 1.2 percent in government's chief forecasting November and 0.7 in January. Analysts said the big gains in the past two months reflected surpris-

The leading index suggests the economy will be headed onward and upward as we move through the second half of the year," said Allen Sinai. chief economist of Boston Co. "From the point of view of the administration, the since the last two months of 1986, news on the economy could hardly be better."

In a separate report pointing to February's rate had previously strength in the economy, the Commerce Department reported that sales of new homes increased 4 percent in March, rising to an annual growth, is drawing increasing criti-growth, is drawing increasing criti-cism from many economists be-Analysts said the consecutive gains showed that the housing industry had shaken off nervousness that

The analysts said, however, that the February and March increases ing recession. When the December in the leading index were likely to index number was first released, it fuel growing concern that the econmarked the third consecutive only is expanding too rapidly and threatening to rekindle inflation. Interest rates have been rising in

See DATA, Page 17

#### Executive to Give Away Fortune in U.S. and, 49 years ago, started their joint enter-



David Packard

By Clyde Haberman

New York Times Service

employ of their Japanese colonial rulers.

## liam Hewlett met as engineering students

In Korea, Some Hiroshima Survivors Speak Up

the treatment of physicians.

What pains him almost as much, at the age

A group representing them, the Korea

A group representing them, the Korea

A group representing them, the Korea

Of 67, is the neglect that he spect mone

Mr. Chung says he does not expect mone Jang has spent most of his life as a footnote Hiroshima during World War II, like thou-sands of other Koreans who were in the United States and his own government. bombs were dropped by Americans on Japa- over the years. Fate also decreed that at 8:15 A.M. on Ang. 6, 1945, he would be leaving for work at nese, first in Hiroshima and then, three days

later, in Nagasaki. the Mitsubishi shipyard when Hiroshima was transformed from a city into a terrifying

HAPCHON, South Korea - Chung Ki tent aches that dely his own description and Japan compensation they feel is long over- rea. After the war, they returned home, and

for too long at the hands of Japan, the requested \$100,000 for each survivor, \$2.3 from Tokyo soon. Neither does anyone else hillion in all. The figure is based on pay- in Hapchon. Mostly, the world remembers that atomic ments Tokyo has made to Japanese victims

To the Koreans, Japan bears moral reonsibility because hundreds of thousands peace treaty in 1951, relinquishing claim to sponsibility because hundreds of thousands peace treaty in 1951 of them were strewn across Japan as forced all former colonies.

The first atomic bomb to be dropped on tention to us."

sponsibility because hundreds of thousands of them were strewn across Japan as forced all former colonies.

More to the point, Many Koreans who wound up in Hiroshi-

Japan knocked Mr. Chung unconscious. "Us" are 23,000 Koreans who survived, ma had come originally from Hapchon, a Ever since, he has lived with illness, persis- who have endured and who now seek from dusty, unprosperous enclave in southern Konow the town has 2,000 atomic-bouth survi-

> Mr. Chung says he does not expect money They are well aware that Japan's basic position, with few exceptions, has been that its responsibilities ended when it signed a

More to the point, Japanese acknowledg-See KOREANS. Page 5

## Bald Facts: A Scientist Finds the Reason, but Not the Cure

The Associated Press WASHINGTON -- A University of Miami researcher said Friday that she had discovered the biochemical basis for baldness, but that it would take years of further research to learn how to block a process that "short circuits" hair growth.

Other scientists said her research appeared to be

well-founded. Dr. Marty E. Sawaya, a researcher at the University of Miami School of Medicine, said she and ber colleagues have determined that hair follicles that cease growing hair are filled with a single-molecule protein that is able to carry the male hormone testosterone into the cell nucleus and "short circuit" hair growth.

Ms. Sawaya said at a news conference that the discovery was made after she was able to separate out cells from scalo places at different stages of hair

Cells that are vigorously growing hair, she said, contain a high ratio of a protein she called a tetramer. The protein has four molecules closely bound together. In scalp cells that have stopped growing hair, she

said, the tetramer ratio is very low, and a type of protein she called a monomer, or a single molecule of protein, was dominant. Ms. Sawaya said it appeared that the monomer is able to penetrate the nucleus of the hair cell and

affect the genetic pattern of the cell that directs the

able to bind with the male hormone testosterone than is the tetramer. Ms. Sawaya said she also has found an inhibitor protein that tends to block the male hormone from

unable to enter the cell nucleus.

binding to the monomer. The Miami researchers are now attempting to purify and eventually synthesize this inhibitor pro-

tein. She said this protein possibly could be administered to men who are stairting to go bald and "I would hope we could have something like that in the next 5 to 10 years," she said.

Dr. Vera Price, a clinical professor at the Uni-

growth of hair. The tetramer protein, however, is versity of California, San Francisco, praised the work by Ms. Sawaya as "tremendously interest-Also, she said the monomer is four times more

Dr. David A. Norris, a dermatology researcher at the University of Colorado in Denver, said Ms. Sawaya's work had been examined by a peer review group and was found to be "well founded." "It is an important extension of our understand-

ing of the local effects that cause male pattern baldness," he said. About 70 percent of all men over the age of 60

experience some form of male pattern baldness, and for many the hair loss starts in the 20s and 30s. Hair loss is also a problem with 10 to 15 percent of the adult female population.

## After the Pullout: Afghan Rebels Must Find Overall Leader

Afghan guerrilla alliance is enter- notity. ing a crucial period when, with the and govern the country, though it is Iran are a matter only of hazy specunder a generally accepted leader- name of King Mohammed Zahir

make up the alliance are based in Peshawar, ocar the Pakistani end of the Khyber Pass leading into Afin Kabul and in rebel-held areas, ghanistan. They have oot projected themselves into the hearts and minds of the 3 million Afghan refu-gees in Pakistan as acknowledged

Moreover, the seven parties, each little more than a leader sur-rounded by aides and commanding the nominal adherence of undisclosed numbers of people it calls members, have failed to put forward someone who would be considered likely to command the support of the majority of the refugees. None of the leaders appear to in-

The party "members" have been enrolled by occessity among a largely nonpolitical mass of refugee villagers who never before have been called on to exercise meaningful political choices. In order to be recognized by Pakistan as a refugee and entitled to food rations, the Pakistani authorities have made it obligatory for family heads to sign up with a party. The party issues the refugee a registration card.

Pakistan also determined which of the Afghan parties was to be recognized and admitted into the

By Edward A. Gargan

New York Times Service

dents will be given cash food subsi-

dies to supplement stagnant wages

and offset sharply increasing food prices, the official Xinhua oews

agency reported Thursday.

The subsidies will amount to

about 10 percent of a worker's

wage and are to replace in part the current system of price controls. The price of food, the most criti-

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PARTS and SUBJERS

EMMANUE. BAPTIST CHURCH, 56 live des
Bore-Reisins, Ruell-Mahreison, English speak,
evengelicol, oil denominotions. S.S. 9:45;
Worship: 10:45. Other activities. Call Dr. B.C.
Thomas, Pastor. 47:49:15:29/47:51:29:63.

BELIING - China's urhan resi-

By Henry Kamm seven admitted had, in effect, to disband, except for three parties representing the Shiite Moslem mi-

The choices for leader among the planned withdrawal of the Soviet 10 million Afghans inside their Army, it may be called on to seize country and the 2 million in exile in not a unified liberation movement ulation or partisan claims. Only the ship. Shah, who was deposed in 1973, The seven guerrilla groups that meets with widespread approval among refugees in Pakistan and.

> also inside the country. Senior Pakistani officials and diplomats from several concerned countries reported that intensive contacts have been under way for years between Zahir Shah, oow in exile in Rome, and the government of Pakistan, the United States and Diego Cordovez, the United Nations official who conducted the negotiations that led to the Geneva

The goal of the contacts was to have Zahir Shah returned to Kabul as head of a transition regime that would seek to create a national consensus on a future government. Zahir Shah is supported by the three more moderate parties in the guerrilla alliance, but violently opposed by the other four. A senior Pakistani official reported that the Soviet foreign minister, Eduard A. Shevardnadze, had shown interest

The chance of the Zahir Shah solution suffered a serious serback early this year, however, when India's minister for foreign affairs, Natwar Singh, visited Zahir Shah and made the contact public. The visit allowed the opponents of the

THE EMPEROR'S BIRTHDAY — Emperor Hirohito of Japan, who turned 87 Friday, waving to well-wishers at the Imperial Palace. Despite rumors of ill health, Hirohito, who had major

surgery last year, appeared relatively strong when he appeared briefly on the palace balcony.

**Urban Chinese to Receive Subsidies** 

bureau announced that fresh vege-tables, a major part of the Chinese

first quarter of 1988. Food prices in

For the first time in the oearly

13.4 percent in the quarter.



to withdraw its troops on May 15. Soviet combat helicopters preparing to take off Friday from the Kabul airport. Moscow will begin

idea, including many influential Pakistanis, to brand Zahir Shah as the Indian candidate and therefore

tween the Communist regime in tyar, head of one wing of the divided Islamic Party, has inspired more fear than trust. He is accused by his opponents of being a doctrinaire Islamic revolutionary, pursuing his goal of undisputed leadership of the oew Afghanistan through forces.

The government of the special power between the Communist regime in tween the Communist regime in tween the Communist regime in layer of educated people among the refugees, Pakistan plays a decisive tradition-bound political and sortic in shaping the tendencies of cial structures that prevailed until the guerrillas by exercising close political scientist said.

The government of the special power between the Communist regime in tween the Communist regime in the special power between the Communist regime in tween the Communist regime in tweeth the given the Communist regime in tweeth the proposed in the proposed in the proposed in the special power between the Communist regime in tweeth the communist regime in the special power between the Communist regime in the special power between the Communist regime in the proposed in the three others are deeply layer of educated people among the refugees, Pakistan plays a decisive refugees, Pakistan plays the oew Afghanistan through force

It is perhaps significant that no allots the arms and supplies from and political character of the guer-Afghan in Pakistan dares criticize the United States, China and the filla alliance from the outset, is said Mr. Hekmatyar publicly, nor do Arah nations.

unacceptable to Pakistan as well as the fundamentalists in the Afghan alliance.

many outside his immediate entouties to fight," said an official of a litance parties are divided: to fight," said an official of a four subscribe to revolutionary political party. "We have only one right—that is to fight," said an official of a four subscribe to revolutionary political party. "We have not one four a polarization of Afghan political power between the Communist regime in the community is the community to the community that the community is the community that the community that the community is the community that the communit

the overthrow of the king in 1973. political control.

The traditional parties share a The government of President society," he said. "Afghan society is a moderate feeling that they have been strongly Mohammed Zia ul-Haq, who has majority is being squeezed between disadvantaged by Pakistan, which personally directed the military two extremes."

The newspaper said an expanded version of "Let History Judge" was

The article did not mention more

recent harassment of the historian. In the early 1980s, Mr. Medvedev was threatened with criminal pros-

ecution if he did oot curtail his

connected and policemen were stationed outside his apartment.

Nor did it describe his battle with anthorities in 1969 when his twin was confined to a mental hos-pital for "paranoid delusions of re-

The publication of the interview

may reflect a recent surge of bold-

oess in the Soviet press following

what is widely believed to have been a high-level clash over the course of political change. Earlier this month the Commu-

nist Party daily Pravda strongly rebuked another newspaper for publishing a "manifesto" of the

forming society."

activities. His telephone was dis-

being prepared for poblication -

but, unfortunately, not here."

## WORLD BRIEFS

#### Tass Assails NATO Plan to Upgrade

MOSCOW (Reuters) — The official Soviet news agency Tass said Friday that plans by the North Atlantic Treaty Organization to modernize short-range nuclear forces could undo the gains of the U.S. Soviet

treaty to eliminate intermediate-range nuclear forces.

Commenting on a meeting of NATO defense ministers in Brussels that ended Thursday. Tass said the Western unlitary alliance was approaching the problems of the future using "the yardsticks of yesterday's thurking."

It specifically objected to NATO plans to compensate for the removal of crediting season wiseless from Future by brilding up forces with a passent of medium-range missiles from Europe by building up forces with a range of less than 500 kilometers (300 miles) and by increasing the outear arsenals of Britain and France. Tass said that "realization of NATO's plans could bring to nought" the reduction of armaments under the INF agreement, which eliminates missiles with a range of 500 to 5,500

Dukakis Urges End to Merger 'Binge'

COLUMBUS, Ohio (UPI) — Governor Michael S. Dukakis of Massachusetts, the front-runner for the Democratic presidential nomination,
told labor leaders here Friday that the United States must "control the
merger and acquisition binge" that he said was depleting U.S. capital.

Mr. Dukakis also told members of local labor unions that they should
oot believe the polls that show him far ahead of his Democratic rival, the
Reverend Jesse L. Jackson, in the Ohio primary May 3.

Mr. Dukakis harshly criticized the Reagan administration for toleraing corporate takeovers to create profits for management. "If we're
serious about winning the battle for our economic future," he said, "we've
got to get control of the merger and acquisition binge that's gobbling ap
our capital, destroying competition and creating billions in profits for a
few, without creating a single new job for American workers."

#### Ex-Suspect in Kanak Killing Is Slain

NOUMEA, New Caledonia (Combined Dispatches) — Gunnien she and killed a farmer on Friday who was acquitted of killing a Kanak separatist leader in 1984. He was the first European settler to be killed in this French Pacific island territory since the latest separatist violence

began a week ago.

Tension remained high in the island group as police and military negotiators on the ontlying island of Ouvez pursued talks with separatuse holding 20 hostages. But the officials cited progress as a state prosecutor among the hostages was released to mediate in the crisis.

The killing of the farmer, Jose Lapetite, 31, on his farm on the west coast of New Caledonia brings to seven the number of deaths aimse.

separatists attacked an army outpost April 22. The other victims have been gendarnes or native Melanesians, known as Kanaks. Raoul and José Lapetite and three other brothers were implicated in the 1984 killing of 10 separatists in Hienghene. Seven European settlers accused of the attack, including the Lapetites, were acquitted in October.

#### Athens Police Question Turk Exiles

ATHENS (NYT) — The police said Friday that they were questioning.
Turkish exiles in Athens after the assassination of an Armenian guernile. leader who was gunned down Thursday morning in a beachfront s

The Armenian, who used several aliases, was said by the authorities to be Bedros Havanassian, founder of the Armenian Secret Army for the Liberation of Armenia. The group seeks independence for Armenian areas of eastern Turkey and acknowledgment that Turkey massacred is million Armenians during World War I. Turkey denies the charge.

The organization, founded in the early 1970s, has taken responsibilities for the assassinations of more than 20 Turkish diplomats in Western.

Europe and a bomb attack at Orly Airport, near Paris, that killed eight

persons in 1983. Greek officials said Mr. Havanassian, also known as Hagop Hagopian, was killed in the suburb of Paleo Faliron carry Thursday as he left for the airport.

#### Police and Sikhs Clash in Amritsar

NEW DELHI (WP) - Indian paramilitary police and militarits inside the Golden Temple, the Sikh holy shrine at Amritsar, exchanged gunfire Priday in the first such incident since the Indian Army stormed the

complex in 1984 to root out extremists.

The exchange of guntire, which lasted several minutes, reportedly took place after a young Sikh militant escaped from police custody and ran for the temple, which is almost completely controlled by Sikh separatists. According to news reports, Indian militiamen opened fire as the Sikis sprinted for the temple, and witnesses said the shots were answered by gunfire from inside the temple. A woman reportedly was injured.

The incident occurred amid increasing violence in Punjab, in northern

India. At least 25 people were said to have been killed and more than 50 injured in 24 hours of violence in the state. Five persons were killed and 39 injured in a series of bomb blasts at Batala,

#### Soviet Weekly Expresses Approval Of the Dissident Historian Medvedev sednik, in which Mr. Medvedev lished in the West after being re-By Bill Keller discussed the terrors of forced farm jected in the Soviet Union.

collectivization and political re-

But the introduction, accompa-

We hope that soon the Soviet

Mr. Medvedev was touched by

sent to work in Siberian mines from

New York Times Service

Medvedev as a heroic figure.

MOSCOW — Roy Medvedev, collectivization and political re-the independent Soviet historian pression under Stalin, added little whose fiercely critical books about information to what Soviet readers the Stalin era have won world achave been told during the recent claim but have been banned in his wave of anti-Stalinist exposés. country, was praised this week by an official newspaper for his work nied by a photograph of the historiand for his role as a voice of con- an at his typewriter, portrayed Mr. A Communist youth weekly, So-

beseduik, in the preface to a reader can also become acquainted lengthy interview with the historian with the works of our unyielding printed Thursday, called for publication of his works and said he had been unfairly expelled from the Communist Party in 1969.

Communist Party in 1969.

countryman, Roy Medvedev — countryman, Roy Medvedev — charge polenical, controversial, appealing to the voice of conscience in each of us, surprisingly true and Communist Party in 1969.

The interview, which almost cer-sincere," the weekly said. "The tainly would oot have been pub-times demand these books." lished without approval from se. Mr. Medvedev was touched by nior party officials, is a kind of the Stalin terror in 1938, when his rehabilitation for one of the leading father was arrested, tortured and figures of Soviet dissent. Mr. Medvedev, 62, was on his which he never returned.

annual writing vacatioo at a resort in the northern Caucasus Mountains, where he spends a month cach year without a telephone.

Nikita S. Khrushchev's anti-Stalin speech in 1956 and the formal absolution of Mr. Medvedev's father inspired him to join the Comcach year without a telephone.

His twin brother, Zhores, a biochemist and writer forced to emiletter published in a West German

chemist and writer forced to emigrate in 1973, said in a telephone magazine.

His monumental study of Stalin,
the No. 2 Kremlin official. Yegor
besednik article was a strong indication that the Soviet leadership. had decided to find an official role for the historian.

or the historian.
To Rein In the Party, invited to join one of the commissions working on the new history books," Zhores Medvedev said, referring to committees that have been charged with filling in "the blank pages" in official reference works and textbooks.

"Perhaps it means his books will be published. At least it might make his life casier."

Mr. Medvedev has always viewed himself as a voice of the loyal socialist opposition who believed despite its repression of him that the Soviet system could become truly democratic with the right leadership.

In some respects, he seemed an obvious candidate for official approval since many of his views on history have been embraced by Mikhail S. Gorbachev, the Soviet

Unlike other prominent dissidents, Mr. Medvedev has refrained from signing petitions or holding press conferences, but in interviews with Western correspondents and in works published abroad he has been an outspoken critic of political persecution, censorship, the imunist Party's monopoly on power and limits on travel and emigration. He has oever sought to leave the country himself. The extensive interview in Sobe-

1917 under the slogan "All Power mitting a multiparty system. to the Soviets," but the councils

political superstructure."

been largely ceremonial.

party conference in late June.

New York Times Service soon became rubber stamps for the MOSCOW — Mikhail S. Gorba-Communist Party. Real power rechev's drive for domestic revival sides with the party apparatus, a has entered a new round in recent network of 200,000 full-time party weeks with the opening of a wide-functionaries, and with the party ranging debate on the powers of the committees that extend into almost

Communist Party. every husiness and school.

In an almost daily barrage of Recently Mr. Gorbachev's supremarks and press commentaries, a porters have singled out this power-campaign has begun to weaken the ful network as an obstacle to ecoiron grip of the party network that nomic and social change, especially extends down to each workplace outside Moscow.

and school, and to give more ao-thority to the soviets, or people's units ranging from villages to re-councils, that have traditionally publics, and the Supreme Soviet is the nominal parliament. Deputies Strengthening the soviets has are chosen in direct elections from emerged as a major theme as the candidates commated under party country prepares for a nationwide control by such organizations as party committees and in meetings Mr. Gorhachev apparently of unions, schools and collective

hopes to use the meeting to give farms. fresh impetus to his program of It is It is not clear exactly how much economic and social change, which power Mr. Gorbachev would like has bogged down in political and to give the soviets. Some Soviet and bureaucratic resistance. He has Western analysts say they believe said the conference will take up "a he genuinely intends to open the far-reaching reconstruction of the system to political forces that

#### TRAVEL UPDATE

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## Air Passengers Fight Iceland Pickets REYKJAVIK, Iceland (Reuters) — Fights broke out at Keflavík Airport on Friday as passengers struggled to board planes through picket

lines, airport officials said. Terminal workers striking for more pay barricaded airline offices and

customs gates, and fights crupted when passengers were prevented from getting through to planes. "I feel like I'm being held hostage in feeland," a foreigner said as he was repulsed by pickets.

Hours later, the island's virtual isolation was lifted slightly when the small Eagle Air reached agreement with the unions, which had been striking for a 27-percent pay rise. But the larger Icelandair was still-

#### U.K. Travelers Face Delay on Ferries LONDON (AP) — Vacationers heading for the Continent were warned Friday to expect delays of 6 to 18 hours as a long weekend approached with a ferry strike in its fourth day.

The problems on the Dover-Calais route across the Channel began this week when crews of the Sealink ferry company refused to cross picket lines mounted by workers of another firm, P&O, who have been on strike for three months. Sealink said that only its French-crewed ships were sailing, halving the oumber of daily round trips to eight.

The Italian railroad launched its fastest commercial train on Friday in a trial run that shaved just under an hour off the 630-kilometer (393-mile) trip from Rome to Milan. The train, which is capable of speeds up to 250 kmph (155 mph), will cover the run in 3 hours, 58 minotes. (AP)

Strikes in Lagos against higher gasoline prices hit the capital's airport on Friday, delaying or grounding most flights.

and the conference will take up a fee genuinesy intends to open the ar-reaching reconstruction of the system to political forces that confidence with the Communists took power in the Communi estern airlines cease flying to Taiwan once their governments recognize

## Debate Flares in U.K. Over IRA Gibraltar Killings their hands in surrender to British roops. Soldiers, to uphold "the rule of law." Londoo oewspaper report that grossly and wholly improper." he witness interviewed in This pointed up the growing ten-

By Howell Raines New York Times Service

LONDON - The hroadcast of March 6 has provoked new demands from the opposition Labor Party to know if the cabinet of has endorsed a policy of sending undercover officers after terrorist

night also renewed the debate over the Thatcher government's practice of advancing claims of national se-curity and due process to inhibit broadcasts on sensitive subjects.

foreign secretary. Sir Geoffrey
Howe, to delay broadcast Thurs
day night of its investigative program, "Death on the Rock," until an inquest could be held in Gibraltar in June,

According to the account of a witness to the killing, two of the matter and called for "further legal floor immediately, they dropped." which was an attempt to constitute one that they were in our view, suspects were killed as they raised action." presumably against the Gibraltar officials were unavail- a television program as judge, jury fully entitled to do."

plainclothes troops from the Speanti-terrorism squad.

British Army rules provide that a oldier may only fire at a person The hroadcast oo Thursday likely to endanger his life. Sir Geoffrey told the House of Commons. immediately after the shootings that the soldiers were endangered.

Altogether, the program pro-The Independent Broadcasting Authority refused an appeal by the foreign secretary. Sir Geoffrey three offered no resistance and three offered no resistance and were all shot again after they were

an account of the killing of three the program said that the third sions between Dublin and London Irish suspects in Gibraltar on member of an Irish Republican over security in Northern Ireland member of an Irish Republican over security in Northern Ireland Army bomb squad killed March 6 and Britain's treatment of IRA suswas shot in the back as he fled from pects from its Irish province. The three IRA members killed oo Prime Minister Margaret Thatcher cial Air Service, the British Army's March 6 were Mairead Farrell, 31, Daniel McCann, 30, and Sean Sav-

with strong anti-British views and that her husband has served two prison terms for drug trafficking. The British government so far has made oo attempt to discredit her.

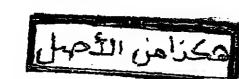
MIS. I nateuer also condemned the broadcast for jeopardizing "the broadcast for jeopardizing "the broadcast for jeopardizing "the broadcast for jeopardizing the broadcast for jeopardizing the broadcast for jeopardizing the broadcast for jeopardizing the broadcast for jeopardizing "the broadcast for jeopardizing the broadcast fo An anonymous witness added that Mr. Savage, having been shot in the back while fleeing, was ap-

proached by a security man. "The man on the ground was lying on his back, the man standing over this man had his foot on the man's chest," the witness said. "I then saw ately at the man that was lying on the floor and fire two or three times into him at point-blank range."

Mrs. Thatcher also condem

Government officials defended

the attempt to block the broadcast as part of Mis. Thatcher's effort to deny terrorists "the oxygen of pub-licity." But critics say her Conse valive government has a policy of repressive action toward indepen-dent television and the British Broadcasting Corp. that dates from the Falklands war.





**To Offset Sharply Rising Food Costs** cal element in the average family budget, has risen sharply in major Prime Minister Yao Yilin said the Chinese cities over the first three government would try to keep inmonths of the year already, and flation below 10 percent. Last year, city dwellers are becoming more according to the government, vociferous in their complaints. prices rose at an annual rate of 7.3

"Living costs have gone up percent, although privately Chisharply," the agency said, "and actual personal incomes have at closer to 15 percent, dropped considerably." Television In announcing the food subsi-In announcing the food subsiand oewspapers have reported ex- dies, the press agency said Changtensively on inflation, and inter- sha in Hunan Province and Hangzviews with shoppers have become a hou in Zhejiang Province were staple item on the front pages.

Last week, the state statistical already providing substaics for

pork, vegetables, sugar and eggs.

Beginning May 1, Shanghai will give residents a subsidy of 10 yuan diet, jumped 47.8 percent in the (\$2.70) a person. The average urban worker, according to the State large and medium cities climbed Statistical Bureau, now earns a bit more than 90 yuan a month, most of which goes toward purchasing four-decade history of the People's food. Housing costs in China are Republic, steadily increasing prices generally minimal, usually less Republic, steadily increasing prices have become a feature in Chinese than \$1 a month.

Food subsidies will be paid to

life. Uotil recently, prices in Chinese
ife. Uotil recently, prices in Chinese
remained virtually unchanged, a Beijing residents within the next month or two, according to the press agency. The price of rice alNow, however, the country's ambitious program of reshaping the sumers.

In the past, food prices have popular assumptions about daily been kept down by price controls life. China's attempts to disentanthat were supported by subsidies to gle itself from a pricing system destate-owned stores.

Under the new policy, individual

socialist economy, for example, have triggered inflation for many products. Sugar, for example, now costs urban residents about 27 with the money for government cents a pound, 50 percent more employees, school and university tenders. teachers, hospital staffs and per-

In the television program, Car-men Proetta, 42, a Gihraltar resi-

dent, said she watched from her apartment window as three armed security men confronted Miss Far-rell and Mr. McCann at an intersection. When the two IRA members "saw these men had the guns in their hands, they just put their hands up," Mrs. Proetta said. At that point, without any andible hands up," Mrs. Proetta said. At that point, without any andible warning, the soldiers opened fire, she said. "It looked like the man she said. "It looked like the man four channels, of prejudicing the soldiers opened for four channels, of prejudicing the soldiers opened for four channels, of prejudicing the solution and point-blank range.

Lord Thomson, chairman of the broadcasting authority, said the broadcasting authority, said the broadcasting authority, said the solution are solved for the solution of the broadcasting authority, said the broadcasting authority and the solution are solved for the solution and the solution are solved for the solution and the solution are solved for the solution and the solution are solved for the solution are solved for the solution are solved for the solution and the solution are solved for th After a cabinet meeting in Dubwas protecting the girl, because he inquest as the programs were stood in front of her, but there was shown by satellite in Gibraltar.

According to the account of a expressed "deep concern" over the inno chance. I mean they went to the impatter and collections the concern over the inno chance. I mean they went to the "Last night's matter and collections the concern" over the inno chance. I mean they went to the "Last night's matter and collections the concern" over the inno chance. I mean they went to the "Last night's matter and collections the concern" over the inno chance. I mean they went to the "Last night's matter and collections the concern over the inno chance."

and the second of the second o

that freedom dies."

four channels, of prejudicing the sought to say this morning in being judge, prosecutor and witnesses. They were simply doing a normal. professional journalistic job, and

## Byrd Tentatively Sets May 11 To Start INF Debate in Senate

The Associated Press WASHINGTON — The Senate majority leader. Robert C. Byrd of had tentatively decided to open detreaty to ban intermediate-range superpowers could clear up differ- meeting. ences on verification and other is-

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... The date was two days later than

had taken a "restrictive" view of the right of U.S. monitors to inspect containers for missile parts as ington: well as access to Soviet facilities. He said the State Department had raised the issue with the Sovi-

ets at a senior diplomatic level and was waiting for a reply.

Committee Dispersion of the continue of the co called the Soviet interpretation of gence agencies, according to govthe verification procedures unac- erument officials.

ery system and whether weapons improve the monitoring systems. come from the intelligence budget,

By Molly Moore

WASHINGTON - The United

States spent far more on military

weapons last year than the Soviet Union, equalizing military spend-

ing between the two superpowers for the first time in recent history,

Fires at 3 West Berlin Banks

three West Berlin banks on Friday, and the police said they suspected

using laser beams or particle ray generators are covered by the pact.

The proposed date for beginning ter the administration reneged on West Virginia, said Friday that he Senate debate on the INF Treaty is what he had thought was n commitless than three weeks before Presi-ment to seek the money. The entire

nuclear forces, but only if the two in Moscow for their fourth summit lance, he said.

Mr. Byrd had previously said that debate might begin.

The State Department, meanwhile, urged the Senate "to move the treaty would require the design to enhance prospects for the two nations agreeing to the two nations.

The state Department, meanwhile, urged the Senate "to move the two nations agreeing to the two nations agree the two nations agreed the two nations agree the two nations agree the two nations agreed the two nations agreed The treaty would require the destruction of all U.S. and Soviet mis-

forward expeditiously and said the anti-cheating provisions in the treaty would require the or struction of all U.S. and Soviet mis sites with a range of 500 to 5,50 charles E. Redman, the department spokesman, said the Soviets Intelligence Cuts Voted siles with a range of 500 to 5,500 kilometers (300 and 3,400 miles). Susan F. Rasky of The New York Times reported earlier from Wash-

The Senate Select Committee on Intelligence, irritated by the Reacus any aspect of the closed session held Tuesday. But government improvements in surveillance sys-"So we will see what we get," Mr. tems needed to verify a new arms teedman said.

The State Department official elsewhere in the budget for intelli-

- Mr. Byrd made it clear that de-bate would not begin until areas of concern were resolved. was made in a closed session, the bate would not begin until areas of committee chairman, Senator Da-begins Oct. I, and \$5 billion to \$6 billion spread over the next five to He called on Washington and on warned the administration that be six years. Administration officials Moscow to deal quickly with the is prepared to filibuster the new said Mr. Boren would like half of verification question and with such treaty unless the White House reambiguities in the document as quests the money that the intelli- to come from the Defense Departwhat constitutes a weapons deliv- gence panel says it would take to ment budget and the other half to

bate May 11 on the U.S.-Soviet dent Ronald Reagan and the Soviet committee feels "very strongly leader, Mitchail S. Gorbachev, meet about the need to improve surveil-

He said that both he and Senator The Reagan administration is William S. Cohen of Maine the urging the legislators to approve Republican vice chairman of the the pact before the May 29-June 3 intelligence panel, support the trea-

without the money, he intended to delay approval of the agreement banning medium and shorterrange nuclear missiles long enough to prevent Mr. Reagan from taking it to Moscow for formal ratification at the summit meeting with Mr. Gorbachev.

Intelligence budgets are secret, and Senator Boren refused to disofficials said the cuts were large enough to have a serious impact on several programs of the Central Intelligence Agency.

According to a government official, the surveillance improvements In addition to this move, which would require about \$500 million

cording to Defense Department es- efforts to win more money from the West have held over the Soviet

Although the North Atlantic

outspent their Warsaw Pact coun-

terparts for more than two decades,

this was the first acknowledgment

by the Pentagon that the U.S. mili-

tary budget has equaled that of the

The report cautioned, bowever.

that the Soviet spending of the past

Soviet Union.

according to new documents made. The Reagan administration, higher than that of the United Pentagon dedicated almost three

public by the Pentagon on Friday.

The Pentagon spent about 32ison of the two nations militaries

The Pentagon spent about 32ison of the two nations militaries

The Pentagon document said the

Treaty Organization nations have studying development of a new

decade had been about 20-percent public knowledge in the West, the

U.S. '87 Arms Outlays Exceeded Soviets' by 32%



OUTSPOKEN ALLY - Prime Minister Felipe González of Spain calling at Harvard University in Cambridge, Massachu-setts, for Europe to have a more balanced and independent relationship with the United States. He said Americans must get used to a more independent Europe, especially in respect to defense. "A Europe more active and more sure of itself may be a less comfortable ally but a more useful ally," he said.

#### **Explosion Rips Open Boeing 737** 'Like Convertible,' But Pilot Lands

Compiled by Our Staff From Dispatches the hymns I knew," she said. "That The missing flight attendant, identified as Clarabelle B. Lansing. KAHULUI, Hawaii - An ex- kept me busy." plosion ripped open an Aloha Air-lines Boeing 737 "like a convert-at the airport, said he dropped to

the pilot landed the plane safely.
The cause of the blast Thursday
on Aloha Flight 243 was unknown, officials said Friday. Two of the injured passengers were in critical condition.

The pilot, Robert L. Schornsthimer, who has flown for the airline for 12 years, was lauded by airline sitting there," said George Harvey. officials and other pilots for landarea coordinator for the Federal ing the plane smoothly at Kahulm Airport on Maui island despite a hole in the roof of the craft stretching from the front passenger door to the wings.

The National Transportation Safety Board was sending investi-gators to the scene, and FBI agents plane. were sent from Honolulu to determine whether the blast was caused by a bomb, said Robert Heafner, FBI spokesman.

However, sources in Washington said investigators were focusing more on a possible structural failure that may have been caused by a rapid decompression and that the force of strong winds at 24,000 feet may have ripped away the huge section of fusclage.

The jet, with one of its two engines aflame and about 15 to 20 feet of its cabin exposed behind the cockpit and down to the level of the passenger seats, flew for 25 miles (40 kilometers) after the blast and made an emergency landing at Kabului Airport on Thursday, airline

The plane, en route from Hilo on Hawaii island to Honolulu Internanonal Airport on Oahu, was carrying 90 passengers and five crew members.

right through the first class area when it happened, then she was gone," said a passenger, Al Ruhl, of Compton, California. "I don't know what happened, but I didn't see her get off the plane."

Dale Bringelson, owner of Island Aeromotive, watched the landing Soviet leaders in a world war. The from his company hangar at Kahului Airport and praised Mr. Schornstheimer. "Because the upper structure

was gone, there was a possibility of the plane buckling," Mr. Bringel-son said. "If be hadn't been real tive quarters below the city, in some cases, bundreds of meters careful, it could have busted in two. The man was highly skilled and it speaks well of the profession."

lucci said Friday that the United "There was a big bang when it happened and everybody looked States had programs that "could up and we were looking at blue sky," said Bill Fink, a passenger tem at considerably less cost than from Honohilu. they have obviously put into

Another passenger, Alice God-win, of Boulder City, Nevada, said she put on a life jacket and put her He declined to reveal further details of the highly classified prohead between her knees. "I sang all.

ible" at 24,000 feet (7,300 meters), his knees in shock as he watched injuring 61 persons and throwing a the plane land with one of its en- Hue, a Federal Aviation Adminisflight attendant to her death, but gines smoking and the section of trauon area manager, the pilot landed the plane safety. Susclage missing, "I saw hair flying Searchers found no

> "It looked like a convertible," said Joe Ronderos, of Los Angeles. "It was like somebody had pecled off a layer of skin. You

> Aviation Administration in Honolulu. Officials at Boeing Commercial Airplanes, the primary subsidiary of Boeing Co., said there were no fuel lines or other potential sources for an explosion in that part of the

"The fuel is in the wing, the engines are in the wing and the fuel lines are all right there," Boeing spokesman, Tom Cole, said in Seat-

"To have it just explode in the air is just unheard of," Mr. Cole said. "I think this is a very unusual circumstance that is not related to any other accidents we have had."

event that a turbine blade tore loose from an engine and ripped into the fuselage, it could not hit forward from the wing, and the the cause of the fire.

effect would be nothing like what Brigadier General Ernesto Ma-

Mr. Myers cited the "extraordi-

nary performance" of the pilot in bringing the plane in safely. "I give credit to the pilot. He "One stewardess was walking brought that plane down so the through the first class area smoothly, it was just like riding in a ten it happened, then she was Cadillac," said John Lopez, a pas-

senger from of Hilo. "I've had worse landings in normal aircraft," Dan Dennin, of Honolulu, said.



Osio Electronics

P.O Box 155, 2370AD C.P.O. Box 5493. The Negretands FIC(+82)2585-1317

Mark Eberly, a ramp supervisor of Honolulu, was probably either t the airport, said he dropped to ejected by the blast or blown out of the plane by the wind, said Clifford

Searchers found no trace of Mrs. in the wind and arms dangling," he Lansing, 37, or the missing section said. (AP. UPI)

#### 10.000 Are Left **Homeless After** Blaze in Manila

The Associated Press MANILA - About 10,000 people left homeless by one of the biggest fires in Manila in 40 years camped out along railroad tracks near their razed shantytown, offi-cials said Friday.

About 300 children were evacuated to an elementary school in Pandacan, the crowded Manila neighborhood where officials said the fire on Thursday destroyed more than 1,000 houses and left 10,000 residents homeless.

Relief workers distributed rice and canned fish on Friday and set Even in the extremely unlikely up a community kitchen for victims, social welfare officials said. An arson investigator said the police were still trying to determine

happened to the Aloha plane, Mr. driaga, the fire chief, said the blaze Cole said. was "possibly the biggest in Manila In Honolulu, Maurice Myers, since World War II." He said only president of Aloha Airlines, said a shift in winds had prevented the nothing was stored in the area of fire from reaching a nearby oil stor-

## **DIAMONDS** YOUR BEST BUY

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## **Untested AIDS Drug May Block Virus**

percent more on new weapons in seven years ago, bas leaned beavily 1987 than the Soviet Union, aconits conclusions in the Pentagon's

timates. The U.S. military spent Congress.

about \$80 billion on procurement

"As a result of the continued

growth of U.S. outlays, primarily for procurement, the annual differ-

ence in the cost of the military

1988 edition of "Soviet Military

the Kremlin's defense forces.

according to the Pentagon's

last fiscal year.

. BERLIN - Fires broke out at programs was virtually eliminat-

politically motivated arsonists set Power," its annual assessment of

By Susan Okie

Washington Post Service WASHINGTON - An experimental drug popular among some AIDS victims as an unapproved treatment for the disease has been found to block the AIDS virus

ed Friday.

The findings by Hiroaki Mitsuya, Dr. Samuel Broder and other National Cancer Institute scientists are likely to intensify the interest in

funded centers testing experimen-tal treatments for the disease.

Dr. Broder called dextran sulfate "a very interesting drug" but cautioned against premature optimism, saying that it must be carefully studied in patients infected with the buman immunodeficiency virus, known as HIV.

"We think it has at least several different mechanisms of action, one of which is inhibition of the ability of the virus to bind to its target cells," he said.

**AMERICAN** 

NEL Puis Character

At Top of Checklist

In this year's National Foot-

bail League draft of college

players, teams did more re-

search than ever into the char-

acter of prospective recruits.

Team representatives consulted

with more members of the play-

ers' faculties, scrutinized more

intelligence, psychological and drug tests and gave some of those tests themselves. "In the past, teams just took

players, simply who we thought

was the best player," John Beake, general manager of the Denver Broncos, told The New York Times. "And in the end,

we inherited an assortment of

problems that go way back to junior high, that everybody around him had seen for 20

years and we would have, too, if

we had done more homework."

rector of player personnel, said,

"Now you not only have to read

Bill Tobin, Chicago Bears di-

about 20 percent sulfur, can be ab- information on treatments. sorbed from the intestines into the Senate Clears AIDS Plan bloodstream in a form that remains

active against the virus. normal targets, researchers reportion in the shifty of HIV to infect and research to combat AIDS at a Organization said Friday, Reviers and research to combat AIDS at a Organization said Friday, Reviers and research to combat AIDS at a Organization said Friday, Reviers and research to combat AIDS at a Organization said Friday, Reviers and research to combat AIDS at a Organization said Friday, Reviers and research to combat AIDS at a Organization said Friday, Reviers and research to combat AIDS at a Organization said Friday, Reviers and research to combat AIDS at a Organization said Friday. damage white blood cells known as presence of dextran sulfate.

the drug dextran sulfate.

The drug already was considered a "high priority" drug for study in patients with acquired immune deficiency syndrome at federally from fusing with nearby uninfected from fusing with nearby uninfected dent Ronald Reagan is expected to sign the measure. cells. This fusion is believed by many researchers to be one of the

infected. Dextran sulfate is one of the cost more than \$400 million. most popular "underground": One part of the bill approved by 1,429, up from 1,34 AIDS treatments, with most pathe Senate would bar federal funds 813, up from 758.

In the study, reported in the program of education, treatment through April 27, the World Health T-lymphocytes when the cells were measure was the first comprehenexposed to virus particles in the sive plan dealing with AIDS to

In a separate experiment, dextran sulfate also proved able to block virus particles from attaching million for spending on AIDS education a protein on the surface of Tlymphocytes, an event thought to calls for accelerated research, espe-

But he said researchers are untients obtaining the drug from Jafrom prevention programs that certain whether dextran sulfate, a pan, according to Martin Delaney "promote" homosexual behavior, large sugar molecule containing of Project Inform, which provides the Los Angeles Times reported.

come before Congress, and it had bipartisan support, winning by a

sign the measure.

major ways by which HIV infection requiring separate legislation, reported cases since its last previdestroys the immune system.

requiring separate legislation, reported cases since its last prevident would be spent in fiscal 1989, our notification on March 7, lifting would be spent in fiscal 1989, which starts Oct. I.

The bill sets a ceiling of \$590 be the first step in a cell's becoming cially toward seeking vaccines lagainst AIDS, that is expected to

maintained that the technological

advantage the United States and

Union is being slowly eroded.
The Pentagon, which has been

class of earth-penetrating nuclear weapons, also made public details

of the Soviet Union's huge under-

ground network of tunnels and

subways designed to protect its

leaders in the event of nuclear war.

ground tunnels have long been

Although details of the under-

# 88,081 Cases Worldwide

A total 88,081 cases of ATDS The Senate approved Thursday a have been reported in 138 countries

> This was an increase of 2,808 cases since the organization's last global tally of the spread of AIDS on March 31.

> The organization said reported cases are only a fraction of the true worldwide total, which it has esti-mated at 150,000.

The United States accounted for Most of the money, much of it most of the rise, with 2,408 new its total to 57,575.

Mexico reported 1,233 cases, up the disease in October.

women students, or saying he

will not tell certain jokes "be-

- Play Lotto 6/49—Canada's Favorite Government Lottery

· Pick your own "Lucky Numbers" when you play • Record prize of \$13,890,588.80-all CASH-TAX FREE!\*

The Pentagon document said the

deep underground network, which

has been expanded over the past 40

years, can accommodate thousands

of people and would provide com-

mand and control capabilines for

network of tunnels allow the Krem-

lin's top leaders to move from their

"peacetime offices through con-

cealed entryways down to protec-

down," according to the Pentagon

counter the Soviet tunneling sys-

gram, however.

Defense Secretary Frank C. Car-

For years Canadians have been striking it rich in Lotto 6/49-Canada's most popular lottery. In Medico reported 1,233 cases, up fact, last year Lotto 6/49 paid out over \$500 Milton dollars in prizes! Almost every week new millionaires are being made by playing this fan-Other increases were notified by tastic game. The jackpots (lst prizel regularly west Germany with 1,905 cases, up from 1,848 last month, Britain 1,429, up from 1,344, and Australia by Lilian and Stewart Rep., pictured below, and by Lilian and Stewart Rep., pictured below, and high as \$13,890,588. These proof of the world's largest all cash still stands as one of the world's largest all-cash

lottery prizes every awarded. Now, thanks to Canadian Overseas Marketing's unique subscription service, you too have the chance to win a multi-million dollar prize.

MULTI-MILLION DOLLAR PRIZES Here are some examples of the fantastic jack-

pots being awarded by Lotto 6/49: -\$13,890,588.80 Liftian and Stewart Kelly Mohamed and Nurahi Samji -\$11,066.864.20 Ron and Val Taylor -\$10,372,326.70

-\$10,191,804.60 Jean Viau -\$ 7,789,787.60 Carrie and Derek Stockley Doug and Loraine Clark -\$ 7,059,893.70

And that's just for first prize ... there are many Millions more paid out in subsidiary prizes. With five prize categories in all and thousands of prizes won in every draw, it's as if you can't miss!

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Lotto 6/49 is an official lottery operated by the en Provincia! Governments of Canada. It's alled Lotto 6/49 because six winning numbers from a total of forty-nine are selected each draw. If the six numbers chosen match the six numbers you are playing, you win the jackpor. In addition to the six regular winning numbers chosen, there's one additional number drawn called

the "bonus number". If you have any five of the six regular winning numbers correct plus the bonus number, you win second prize. Any five, four, or three of the regular winning numbers correct wins you third, fourth, or fifth prize

There's a new draw twice each week (on Wednesday and Saturday), every week of the year. The jackpot is guaranteed to be not less than \$1 Million dollars in each draw. And if the jackpot is not won in the current draw, that prize money is carried over and added to the jackpot for the

YOU PICK YOUR OWN NUMBERS

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Steve Kesses/The Associated Pres

California, says it has sold nearly 40,000 of the bogus phones.

#### Short Takes

The drawing of the Northrop stealth bomber released by the air force may be as significant for what it does not show as for what it does. Aircraft engineers told the Los Angeles Times that the drawing omits important el-ements and includes deceptions, such as an oversized cockpit and an unlikely flamess to the upper wing surface, thus keeping vital information se-cret. Often with such drawings, one designer said, "we take a great deal of liberty in disguis-

ing things we feel are important technologically." The number of engines is not clear from the drawing, but one engineer re-marked, I would bet a nice cold beer that it has four en-

The New York University Law School faculty has adopted a sex-bias code that is probably the most comprehensive of any law school in the United States. The New York Times reports. Outright harassment is prohibited as are such practices as a law professor's calling only on

canse ladies are present," or, when citing bypothetical cases, having the citent always be a woman and the lawyer, judge or legislator always a man. With more parents out working, more teen-agers are taking on kitchen chores. Teens are

having to tackle a primary re-sponsibility for grocery shop-ping and preparing meals," says Peter Zollo of Teenage Re-search Unlimited in Lake Forest, Illinois. He said a survey of 2,200 teen-agers found that 80 percent said they had made a meal for themselves in the previous week, compared with 64 percent in 1984. Teen-agers tend to favor using the microwave oven, which is now a fixture in more than two-thirds of American households. Shorter Takes: The 41-room

Georgian colonial mansion where the former mayor of Boston, James Michael Curley, lived for 41 years has been sold to the city for \$1.5 million. Mr. Curley, who died in 1958, had sold it in 1956 for \$60,000. It will become an immigration museum. • In Boulder, Colorado, Chris Barnes's female African gray parrot, Coco, woke him up by screeching his name when fire broke out in the kitchon, but she died from the fumes as the fire was being put out. Garrison Keillor, who immortalized mythical Lake Woebe-gon, Minnesota, in books and radio shows, says March in Minnesota "was designed by God to show people who don't drink what a hangover is like."

Arthur Highee

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When Lillian and Stewart Kelly, pictured above, won Canada's record Lotto jackpot of \$13,890,588.80 there were over 1 million winners in total, with over \$37,000,000.00 in prize money awarded. The prize breakdown shown here indicates the actual winnings for that draw.

ALUE 481.80 704,70 139.30

The prices general in constitute united; its 2nd, 3nd, and 4th prizes are calculated on a percentage of the total prize pool. Since the prize pool fluctuates from draw to draw, the size of the prizes will vary from the size of the prizes will vary from the size of the prizes.

# PRIZE BREAKDOWN

	PRIZES	PRIZES	PRIZE VA
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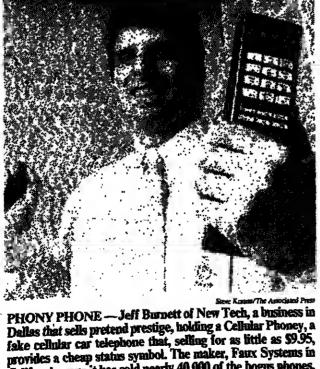
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the local sports pages, but you also have to read the local police blotter." Most reams have learned this lesson the hard way. Examples: the Philadelphia Eagles' first choice in the 1985 draft, Kevin Allen, is in prison for aggravated sexual assault. Their secondround choice, Alonzo Johnson, left the team after seven games for drug rehabilitation. The Detroit Lions' first choice last year, Reggie Rogers, played less than half the season because of numerous woes including having to defend himself against

rumors of drug abuse.



## Herald Tibune. Cribune.

#### Seoul Passes a Tough Test

The voters have administered the second sternest test to the government of South Korea, and the government has met it with admirable grace. The hardest test would be if the voters decided to throw the government out of power; thet has not happened. But this week the voters did elect South Korea's first opposition fegislature in its nearly 40-year history, and President Rob Tae Woo said he "humbly accepts" the condition of power sharing and political turbulence that now results.

The South Korean presidency is a strong institution, and the cabinet reports to the president. But parliament can conduct independent investigations, recommend dismissof ministers and vote on the budget. With the veteran Kim Dae Jung now back in the assembly as leader of the principal opposition party, the stage seems to be set for vigorous probes of high-level corruption and of the notorious 1980 Kwangju massacre, and if the early evidence is borne out for and, if the early evidence is borne out, for Mr. Kim's calculated use of anti-Americanism as a bludgeon against the government. There is a certain anxiety about the uncertainty and conflict that could accompany the transformation of the assembly from rubber

Koreans appear to believe that the likely alternative - a return to the time when debate was repressed and forced into the streets - is no longer tolerable.

More than anyone, Mr. Roh is responsible for the fact that when Koreans noted for democracy last year the result was not another dose of military law but a turn to the liberalization demanded by the rising middle class. He separated himself politically from Chun Doo Hwan, the authoritarian-minded former president (and his partner in the coup of 1979), altered an electoral system that the Korean military had designed for its own institutional benefit and won the presidency in an election that marked the country's first peaceful political transition

It is suggested that, with the Olympic Games coming and with the opposition always ready to resume demonstrations, President Roh had no real choice but to accept the outcome of the assembly elections. It would be fairer to say that his performance reflects a flowering of the democratic enterprise in a country where too many Koreans, and Americans, had written it off.

-THE WASHINGTON POST.

#### It Won't Help the Market

When investor panic creates a stock market crisis, why not stop trading for a few hours and give calmer heads a chance to prevail? That is the beguiling logic behind the New York Stock Exchange's proposal for a "circuit hreaker," an automatic halt in trading when market averages shoot up or down by some specified amount.

A closer look, however, shows that the circuit breaker could just as easily make the stock market more volatile. Regulators and politicians are under pressure to do something — anything — to reassure the public that Black Monday cannot happen again. Surely, though, a fix that is unlikely to work is worse than no fix at all.

The Dow Jones industrial average fell more than 500 points on Oct. 19, as an avalanche of selling pressure overwhelmed the capacity of specialized brokers to find willing buyers. Suppose a circuit breaker had been in effect and the market had closed automatically when the market fell 200 points. That might have stopped the plunge before it turned into a rout, giving wise investors time to search for bargains. And it would have given more time to the banks that lend billions to Wall Street to verify that

the credit was safely backed by securities.

But it is also possible that such an enforced time-out would have fed the panic. A massive volume of "sell" orders might well have accumulated before the opening bell the next day. That is what happened in Hong Kong, the only major exchange to halt trad-ing before the regular close of business on Oct. 19. When it eventually reopened, it quickly experienced the deepest cuts in stock prices of any exchange in the world.

It is true that a trading halt would have allowed banks to confer with big borrowers and verify their collateral. This might have reduced the pressure on banks to defend their assets by withdrawing lines of credit. Some banks reportedly were tempted to do so Oct. 19. Had they not been dissuaded by Federal Reserve officials, the resulting credit crunch would have precipitated the forced sale of huge blocks of securities and, conceiv-

ably, spread panic into the banking system. But even if a circuit breaker delayed a liquidity crisis, it would not necessarily ease the crisis. With the markets closed, banks would not have been able to predict the prices at which stocks would open in the morning and thus would not have known whether their loans could be repaid through stock sales. If the problem is the fragility of the buffer between markets and banks, a circuit breaker is not the solution.

Some regulators and exchange officials who understand these shortcomings still want circuit breakers. Small investors need protection, the argument goes, against wild market swings. But it is far from clear that they would be better off believing their money is safer when it really isn't.

In truth, the best case for the circuit breaker is that it would offend no special interest. Unlike increased margin requirements, a circuit breaker would not raise costs for securities traders. Unlike consolidation of securities regulation under the Federal Reserve, it would not reduce the power of established regulators. Such expediency, however, is hardly a sensible basis for policy. The circuit breaker is an empty slogan.

-THE NEW YORK TIMES.

## To Mop Up Military Gravy

No waste in government is more obvious William Roth of Delaware, both Republibenefit a particular congressman's or senator's constituents. At last, leading members of Congress have come up with a sensible, nonpolitical antidote. They propose a bipar-tisan commission that would select bases to be closed, saving up to \$5 billion a year.

There are 5,000 military installations in the United States. None has been closed since 1977. Consider Loring Air Force Base in far oortheastern Maine. Building it there, as close as possible to Moscow, made sense in 1946. Modern bombers and intercontinental missiles have long since ended that justification. But a 1977 law sponsored by Senator William Cohen of Maine, a Republican, requires an environmental impact study before any base is closed. Studies usually find that a shutdown would improve the environment. But they also say that base employees will lose jobs. That ends the discussion.

Other egregious examples abound: Fort Douglas in Utah was built to protect a stagecoach route. Fort Sheridan in Illinois provides army brass with a golf course and two beaches. Virginia's Fort Monroe, moated against the British in 1812, now serves no essential purpose. In 1985, the Pentagon also proposed closing the Philadelphia Navy Yard and Fort Devens in Massachusetts. Representative Richard Armey of Texas originated the new plan. He and Senator

than keeping military bases open only to cans, have offered identical bills, backed by the chairmen of both armed services commit tees. The defense secretary would appoint a nonpartisan commission to designate bases for closing. The secretary would have to accept or reject their whole list; be could not play politics by choosing among the recomindations. The panel would report by Dec. 31, and he would have 15 days to decide.

The dates are well chosen: a decision between Election Day and Inauguration Day would come during the end of the Reagan administration, with nothing to lose, and before the ocwly elected president could be exposed to blame or pressure.

To set the plan in motion, Congress has to waive the environmental requirement, thus accepting the fact that some workers would lose their jobs. That is not necessarily disastrous. A Pentagon analysis of bases closed between 1961 and 1977 found that the new occupants created almost 50 percent more civilian jobs than the old bases.

Some opponents of the plan say that it costs more to shut a base than to keep it going, but closing costs are soon recouped. Still others assert that Congress should not cede this power to a commission. Such talk might sound plausible if the taste of gravy were not so strong. The Armey plan is a sound solution to a costly political puzzle. - THE NEW YORK TIMES.

#### Other Comment

#### A Balancing Act in Seoul

In December, Roh Tae Woo was elected [South Korea's] president when his two main rivals split the opposition vote. This week his party lost its majority in the National Assembly to the still-split but now cannier opposition. Korea's young democracy now has to cope with the balancing act the election result has thrust upon it.

It may be difficult. Under South Korea's new constitution the government is orga-nized like America's, minus the strong judiciary. The president and the legislature move in separate orbits, with no institutional link. The president has ample powers but if he wants a law - most notably, if he wants a budget — he has to persuade the National Assembly to pass it. South Kore-

ans could find their government paralyzed. President Roh has tried to make a virtue of calm inaction. He needs to do more to free the press, to air the resentments Koreans feel about the previous regime and to pull the regions together. Boldness can work.

#### - The Economist (London).

Poland's Spreading Unrest The strike at Poland's biggest steelworks, at Nowa Huta near Krakow, has oow become the country's most serious industrial dispute since the unrest of 1980-81. The conflict threatens not only the Polish leadership's economie reform program, but also the uneasy contract between the regime and the people after the lifting of martial law.

- The Times (London).

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For Japan, a Third Great Transformation

By Hobart Rowen

T ORONTO — At the famous New York Plaza Hotel meeting in September 1985, a reluctant Tokyo government agreed to push the dollar down and the Japanese yen up in the expectation that the shifts in exchange rates would reduce the buge American trade deficit.

Now, Japan enjoys unprecedented wealth and an economic boom — while the United States still suffers with its trade deficit. Officials in Ja-pan and the West are saying the high yen may be "the best thing that ever happened" to the island nation.

At a session here of the Quadran-

gular Forum, a think tank, Japan's new "yen wealth" was much on the minds of Canadian, European and American financial experts.

Since a low around 260 year to the

Since a low around 260 yen to the dollar in early 1985, the yen has appreciated about 100 percent. "No Japanese company predicted it could survive at 125 yen," said Saburo Okita, a veteran Japanese diplomat. Yet that is where it is today.

The strong yen has worked to Japan's enormous advantage with

pan's enormons advantage, with none of the crippling effects the Unit-ed States encountered a few years back because of an overvalued dollar. The current real growth rate in Ja-pan is 4 percent. And unemployment,

N EW YORK — President Reagan recently appealed to Mikhail Gorbachev to intervene in Ethiopia before the famine there is taken to an

even grimmer level by a "scorched earth" policy imposed by the Moscow-backed government. The recent expulsion of foreign relief workers from

areas where civil war and famine are escalating

can only mean, Mr. Reagan said, that "starvation and famine are being considered as weapons to defeat the rebellion." If Mr. Gorbachev is serious

about playing a more constructive role in world affairs, he should start, now, with Ethiopia.

The problem in Ethiopia is not a lack of food. Shiploads of grain — including the first deliveries on Moscow's recent pledge of an unprecedented

250,000 tons of grain — are beginning to pile up on the docks at Aseb. What is hampering interna-

tional relief efforts, however, is a lack of coopera-

tion from the Ethiopian government. Unless the Russians use their considerable influence with a

brutal regime that puts its survival above all other

Not that the regime will be easily moved. War

has smouldered for decades in Eritrea and Tigre

provinces, where most of the seven million Ethio-

pians in need of emergency food and medicine

ive. Reportedly, the government has suffered heavy casualties lately. Last month, the Eritrean People's Liberation Front, which seeks total inde-pendence, claimed it had killed 18,000 government

troops. Its counterpart in Tigre has made more

These figures, if even close to accurate, help explain the desperate pressure the government

modest, but not insignificant, claims,

considerations, the relief efforts will fail,

vestments to modernize older fac-

which began picking up a year ago as the yen rose, is now down to 2.7 per-cent. The same high yen that permits Japan to find investment bargains in the United States pushes down the cost of many imported commodities priced in dollars, notably oil. The "yen wealth" bonanza comes

The stronger yen was supposed to have hurt. It yielded a bonanza worth \$400 billion.

to an amazing \$400 billion. That, says

Japaoese banker, Hiroshi Kashiwagi, is the amount by which Japan has benefited since 1985 from the combination of the skyrocketing yen and lower commodity prices.
The Japanese ability to absorb and overcome the yen shock has been mirrored in a booming stock market, oow above the levels prevailing be-fore the Oct. 19 stock market plunge, and in out-of-sight real estate values. Part of the wealth has been invest-

ed in the restructuring effort - in-

"They have everything working for them, and they're doing all the right things," said Rimmer de Vries, a Morgan Guaranty vice president.

Aware that efficiencies demanded by the high yen would cost some industrial jobs, the Japanese explored opportunities for more employment in service-related industries and

in service-related industries and growth in newer industries such as ceramics and biogenetics.

A former Commerce Department trade negotiator, Clyde Prestowicz, cites the response of Fuji Xerox to the rising yen: Costs were slashed 30 percent, and another 15 percent reduction is under way. Production of some parts has been moved to South Korea. Thailand and elsewhere in Korea, Thailand and elsewhere in Southeast Asia to take advantage of Southeast Asia to take advantage of lower wages. Fuji Xerox has now fully adjusted to a 120-125 yen standard, and expects to be profitable even if the dollar, as some expect, declines to 100 yen or less.

Meanwhile, in a long overdue bow to consumers, Japanese importers are beginning to establish outlets to distribute foreign goods.

Why did Japan do so well, while

West Germany, with a currency appreciating the same way, languishes at less than 2 percent growth and 9 percent unemployment? There are many reasons. Mr. de Vries cites Japanese thoroughness, attention to detail—and maintenance of relatively low wages. The Germans are stuck on their historical angst about inflation, while the Japanese "are planning 20

while the Japanese "are planning 20 years ahead," Mr. de Vries said.
In a new study of what he calls the third "great transformation" of Ja-pan since World War II, Charles McMillan of the Canada Japan Trade Council sums up the phenomenon by citing Japan's responsiveness to shocks, starting with the two oil crises of the 1970s.

This forced adjustment process. responding to global market condi-tions rather than against them, has become the hallmark of Japan's flexible manufacturing capaci-ty — a strength it retains today, going into the third wave of change and economic adjustment.

"And now in this decade, Japan is

becoming a finance-led service economy built oo the twin pillars of sophisticated technology and the most technologically educated and literate population in the world."

The Washington Post.

# what the United States wants them to do. He compared imposing economic sanctions abroad to flicking a light switch off and on, since a country was

unlikely to pursue economic cam-paigns on a sustained basis.

That was before Mr. Shultz was 1.1 If He's Serious, Gorbachev Should Start With Ethiopia brought into the administration, where he seems not to have made much fuss as Libya, Nicaragua, Panama, South Africa and others have betion guerrilla groups in which the two agencies lost 23 vehicles and 450 tons of food. Such an escort would make military targets of the convoys.

come targets for economic reprisal in an effort to change their behavior.

There is a streak of amogance in a decision to impose sanctions; an as-sumption that they, whoever they are,

In Panama,

**Sanctions** 

Fizzle Again

By Jim Hoagland

By Jim Hoagland

P ARIS — The failure of economic sanctions to dislodge Manuel Antonio Noriega from power in Panama is forcing the administration to edge back from that policy and toward negotiations. Some good will have come out of this chumsy confrontation along the isthmus if it persuades President Reagan and his aides that sanctions are an unwieldy policy tool that rarely accomplish their objectives.

Sanctions are better as a threat than as reality, a club to wave in the air rather than to hit somebody with. It is puzzling that formal economic

It is puzzling that formal economic restrictions have turned out to be a

restrictions have turned out to be a favorite instrument of a conservative Republican administration dedicated to the magic of the marketplace.

After all, it was George Shultz who wrote one of the classic essays on the difficulty of using economic pressures to force other nations to do when the Heiterd States wants them to

will not act like we would if another nation told us: We will punish you economically until you do X or Y. Yet I cannot think of a better way to get Americans to avoid doing X or Y. than to level such a threat.

There is also a strong ahistorical quality to this reaching for the sanctions club to pound other nations. As Robin Renwick, a British diplomat, wrote in a study nearly a decade ago: "One of the more curious features of the history of economic sanctions has been the extent to which the ex-perience of past cases has tended to be overlooked or ignored on each, occasion a fresh attempt had beet made to use the economic weapon." ... If applied with sufficient determination, economic sanctions can and do produce economic re-sults" but are much less certain to produce the political changes sought.

In Libya, American oil companies assert that the main result of the U.S. restrictions on their activities there has been to award Colonel Moammar Gadhafi's erratic government a \$100 million windfall from former U.S. op-erations. It took a bombing raid to get Colonel Gadhafi to change his behavior, which had been completely unaf-fected by the economic pinpricks.

In South Africa, sanctions have played no visible role in tempering the excesses of apartheid. What they have done is accelerate a departure of American businesses that had begun pulling out in the mid-1980s because of deteriorating economic conditions. U.S. influence is significantly less in

South Africa today as a result. (Unlike the other cases, the Rea-gan administration was not eager to initiate sanctions against the white minority government in Pretoria and acted only to try to forestall tougher restrictions from Congress. The at-tempt was unsuccessful.)

It is in Panama that sanctions have been most openly counterproductive. They were supposed to produce popular support for a coup against General Noriega. But the coup fizzled: The people found their economy devastated, and General Noriega was able to hang on. The administration. as Jesse Jackson correctly said, set the

forest on fire to burn one tree. The assessment in Washington is that if sanctions stay on until Labor Day, "there will be no Panamanian economy left," in the words of one policy-maker, And the Reagan foreign

policy team will have wound up dis-stroying Panama in order to save it."

Sanctions inevitably turn out to be an illusory policy. They promise the ability to fine-tune a policy with subtle movements to reward or punish. But they deliver the opposite situa-tion, causing attitudes to harden and often eclipsing the original disputes. Their use and misuse in the Reagan administration should be a cautionary tale for the future.

The Washington Post

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

#### plaque, listing 26 oeighbors killed in the troubles ("they were faithful and they fought"), was being taken down about the latest events, spoke of "good fun, a good clear-out." But he was referring not to the violence but to the Ulster Defense Association Gibraltar by a British commando unit. The bodies were returned to Belfast for burial at Middletown so Mairead Farrell's name could be Cemetery, where a Protestant loyal-ist, Michael Stone, threw grenades at added. A much beloved local heroine who had spent a third of her 30 and what it would amount to after mourners, injuring several. When pursued, be shot and killed three years in prison, she was gunned down in Gibraltar. But her death is Andy Tyrie's resignation. Others

said the change represents a free hand to hard-core gangsters who go in for embezzling and extortion plus still freshly mourned by all: "She was such a part of Andersonstown. random killings of Catholics. The whole place was devastated. As her beatification proceeded, One loyalist said that "since Enmiskillen (when 11 Protestants were killed "by mistake" in an IRA bombing], there is less concern than people listed her qualities: intelligence, generosity, originality, warmth: "You know you get a lot ever about whether the victim is, of crap said about everybody after strictly speaking, a loyalist

they die, but in this case it's 100 percent true." No one knew that The loyalist hero is Michael Stone since her release from jail she had the man who attacked the mourners. again become "involved" with the IRA: evidence indicates she belonged to one of its bomh squads. All over the walls are the words Three Taigs With One Stone." Taig is a derogatory term for Catholic.

As in Andersonstown, no one But on the day her body went past, volunteered comment on the sol-diers' deaths. When asked, kyalists many houses flew black flags. Meanwhile, the army around taking down names of those come up with a new twist: "Some of displaying hlack flags. the loyalists think that the police deliberately refrained from inter-No one in Andersontown menvening because they initially be-lieved that the two soldiers were doned the killing of the soldiers, not 500 yards away, until a visitor asked. They shouldn't have shot the two loyalists, and that they could be

taught a lesson."
"Yes," people say, "it was pretty bad for a time there." soldiers," one man said, "because it took away what happened in the graveyard." His wife was quite an-noyed about the subject: "We are noyed about the subject. We are sick of somehow being made to feel "It's over?"

"Well - it's stopped getguilty about it or responsible for a

The writer, author of "Living With War: A Belfast Year," contributed Last year, or the year before, this to the Los Angeles Times.

# their land and back into the ill-equipped and unsanitary refugee camps the world witnessed with horror three years ago. On top of the human suffering it entails, a widespread migration would obliterate the patiently constructed infra-

So far, the war and the Ethiopian government have only hampered relief efforts. While that is

worry enough, the greatest danger is that further escalation would drive millions of people from

structures that permitted families to return to their villages and helped to end the last famine. Moscow's recent pledge of food means its influence in Addis Ababa is at a peak. While the regime has rebuffed past Soviet admonitions—to go slow with collectivization, for example—it will now more likely listen to entreaties that it give relief

offorts precedence over fighting the war.

Mr. Reagan should pursue his appeal to Mr.

Gorbachev in the summit meeting next month, testing further what the White House now calls "realistic engagement" with Moscow in foreign affairs. The Soviet Union needs to understand that time is not on the side of those suffering in Ethiopia, and that the responsibility for serving desperate humanitarian need cannot be made secondary to a war, particularly an unwinnable one.

The writer, a former ambassador to Cyprus, the Netherlands and Greece, directs the Washington office of Catholic Relief Services. He contributed this comment to The New York Times.

# Why Jackson Believes 'We Are Winning Every Day'

By Robert J. McCloskey

may be feeling. They would also explain why Addis Ababa felt the need to expel foreign relief workers from Eritrea and Tigre. Far from protecting them from "security risks," the government wanted to pursue a more aggressive prosecution of the war attitude aggressive prosecution of

the war without worrying about foreign witnesses.

Not content with removing foreign relief workers, Addis Ababa also asked to take over the

operations of the foreign relief agencies. The agen-cies refused, just as the Catholie Relief Services

and the United Nations several months ago turned

down a government offer of military escorts for

relief convoys following an ambush by the opposi-

CINCINNATI — For Jesse Jackson, in the twilight of his second presidential campaign, winning has meanings that cannot be captured by primary election returns or polls.

The was pure threat, ing for the shutter to snap, he told I come as therapy. I'm probably and the environment is changing."

There is an important political point about these musings. Mr. Jackson is as ambitious as any politician I ing for the shutter to snap, he told I come as therapy. I'm probably

The morning after the Pennsylvania primary, when he had every reason to be morose about another beating by Michael Dukakis, Mr. Jackson was a reflective mood. Dropping into the chair opposite mine in a coffee shop here, he ordered fruit and cereal and began to clear the cobwebs from his

brain by doing what he does best: talk. His face showed the farigue of months on the road and of the previous day's 18-hour journey from Philadelphia to Washington to Warren to Youngstown to Toledo and finally to Cincinnati. His manager, Gerald Austin, would like to see him take a few days off, but he refuses. "He's just driven." Mr. Austin said.

But not frustrated or bitter. Over breakfast, he pulled from memory a chance encounter with a white couple in Beaumont, Texas. "Could my wife

LONDON — "It was pretty had for a time there," people say

in Belfast about the events of the

spring. But there is a parochialism

in Northern Ireland; what, exact-

ly, was "pretty bad" depends on

just where you are. For the Roman Catholic Republi-

cans, it began when three IRA mem-bers were shot dead in the streets of

persons. Two days later, a pair of

British soldiers were beaten and shot

after they drove into the funeral pro-

cession of one of the Middletown

Meanwhile, in Protestant East

Belfast, Andy Tyrie, commander of the Ulster Defense Association, a

paramilitary organization, resigned after finding a bomb in his car. It

was just like the one that had blown up his aide. John McMichael, on Dec. 23. The Irish Republican Army

took responsibility for that killing, but many suspected an Ulster De-

fense Association splinter group.

Over in London, the people in charge of this mess were searching

for expletives in the House of Com-

mons. Having just spoken after the Middletown massacre of the Irish

"plumbing new depths" of savagery.

politicians were hard put to come up

with new hyperbole when the two soldiers were murdered. So they spoke of still newer depths of the same being plumbed. Of no concern

to Parliament was what had amount-

Gibraltar, on the contrary, Prime

pointing this out. By and large the

dead on Andersontown Road.

Mr. Jackson: "I marched in Selma." "Glad to be with you again, broth-

er," Mr. Jackson replied.
"No, you don't understand," the man said. "I marched with the Klan. I just don't want to be on the wrong side of history again."

From that, Mr. Jackson jumped to talking about the faces he noticed at the late-night rally in a Toledo United Auto Workers hall, where he spoke about plant sbutdowns and other threats to economic security: "White families, mothers, fathers, children sitting there. I watched them and I thought, what a distance they had come to be there, listening to me. Whatever their age, they probably never heard Martin Luther King. The

culture of the times, the environment

In Belfast, No One Raises the Subject

By Sally Belfrage

English - many of whom had seen

the mob murder of the soldiers on

Andersontown event never brought

up in Andersonstown itself. A new

war we didn't start. But even if the

It was thus a surprise to find the

live television — shared her view.

they lived in, prevented it.

the first black man they've really been able to hear." As I listened to him talk, not in the histrionic cry of his rally speeches but in the quiet voice of musing, it dawned on me how different his perspective is

from the view of a reporter. We look up at him; he looks out oo the crowds. We write, in cold statistical terms, about how polls show Mr. Jackson received 16 or 18 or 20 percent of the white vote in this state or that. To him, those are not numbers. Those are individuals, the faces be

voters he meets in Beaumont. When he says, "They've come so far, these people, and this country's come so far," he is speaking his truth. And his conclusion is that "racism is not irredecimable. It's oot genetic. "Even if they heard him, they It's the product of the environment,

the loyalists, were the problem, and

you didn't hear much about Oran-

gies. Strictly speaking, the term re-fers to the Masonic-style Orange

Order, but now orange is again the

are quite different. A loyalist, asked

Meanwhile, Protestant concerns

color of the Protestant enemy.

sees in a Toledo union hall or the

Jackson want?" overlook what Mr. Jackson sees he has already gained. In 1988, if oot before, he assumed a role beyond his own candidacy. He is

a powerful symbol to blacks of achievement and acceptance. But he is also a powerful agent of change in the attitudes of whites, and therefore a catalyst in American society. When he says, "We are winning every day," it is not idle talk. When he adds, "I want that process to continue,

beyond the convention, beyond the election," one should pay heed.

Exactly how Mr. Jackson can best do that, in government or outside, is not clear. But one thing is clear: That role requires, in Mr. Jackson's mind, that he be "a healing force" within the

Democratic Party at the Atlanta con-vention and beyond. He has no hesitancy saying publicly that "whoever wins deserves the unity of the party. I'm committed to make that happen."
Until convention time, he will keep
the pressure on Mr. Dukakis from the left, mudging him to more explicit support of measures to isolate South Africa, to hold down military spending, to finance domestic programs with a tax increase on the wealthy. But he will not break up the party on those issues — or the makeup of the ticket. He will do oothing deliberately to make it easier for George Bush,

"A blade of grass," he calls the vice president, mimicking the gesture solfers use when they toss a bit of turf into the air to gauge the direction and force of the wind. "No convictions of his own. He could have been Hubert Humphrey's vice president or Ronald Reagan's. He'd go either way."

Jesse Jackson is going his own way on a journey for which 1988 is an important milepost, but by no means the end.

The Washington Post.

#### 100.75 AND 50 YEARS AGO

1888: Notes on the Arts PARIS - Sarah Bernhardt will touch

at Toulouse on her way north, and play there in Zola's "Therese Raquin," Sardou's "La Tosca," and her own piece, "L'Aveu."... There is no truth to the story that Wagner's breakfast table now adorns a well-known restaurant on the Boulevard des Italiens. The real table is in Kenmcky....The diamond which Mme. Henri Schneider lost at the Opera on Saturday night [April 28] has been found. It was lying between two chairs in her box. The diamond once formed part of the French Crown . The latest musical sensation in St. Petersburg is a concert given by forty-eight lady pianists op-erating on twenty-four grands.

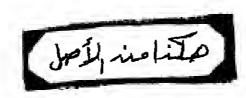
1913: Appeal to Syria NEW YORK - Delegates of the Syrian-American Moral Revolution-

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the attention of the civilized world to what they characterize as the horrible persecutions of the Turkish Governor of Beirut, Syria, who, the resolution declares, "has dissolved the Constitutional League, dismissed the Senate and paralyzed the traffic of the city." The association sends a universal appeal for reforms in Syria.

#### 1938: Jewish 'Panic' BERLIN — Something approaching

BERLIN — Something approaching panic prevails in Jewish circles following the issuance Wednesday (April 27] of a law under which the forced liquidation of the bulk of Jewish property in the Greater Reich is planned. Literally overnight, the rush of Jewish to dispose of their holdiless and switches to the said the second the said second the said the sai and emigrate sent the rate Thursday on so-called "emigrant marks" down from 5.6 American cents to 2.4 American ican ceats. To obtain foreign ex-change, prospective emigrants from the Reich must sell marks to the Gold ist Association, meeting in Minne-apolis [on April 29], resolved to call Reichsbank, at a heavy loss.



Minister Margaret Thatcher was in-brits pulled out you've still the censed at Annesty loternational for Orangies to deal with."

P ARIS - The faller of servicions to disolate agricultural from potential from potential from potential from potential from potential from potential from south from south from south from south from the common common common from the common common common from the common c

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South Africa we was Green with an officials said Friday.

JOHANNESS South Africa meeting among senior officials of the United States, South Africa and Angola will be held in London this coming week to discuss the 13-year civil war in Angola, South African officials said Friday.

The British Foreign Office, in a

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WASHINGTON — The Reagan
administration has reached tentating agreement with the Panamania military leader, General Manuel
Antonio Noriega, on what a senior
U.S. official described as "the outlines of a deal" under which Generlines of a deal" under which Generlines of a deal" under which Generfor several By Jim Hoad al Noriega would yield power our remain in Panama for several weeks.

Administration sources said the agreement calls for a restoration of free elections and constitutional government in Panama and that General Noriega would depart for

the Dominican Republic after what one official termed "o face-saving

The tentative agreement was reached after two months of intense U.S. economic pressure on week of secret negotiations in Pan-ama between General Nonega and Michael C. Kennal Nonega and Michael G. Kozak, deputy assistant secretary of state for inter-American affairs. It provides that General Noriega would not be extradited to the United States, where he has been indicted by two U.S.

grand juries in Florida on drug-

trafficking charges.

had reached an agreement with the United States and said the general was not leaving power or the country, Remers reported from Panama

reports that the military leader had reached a "tentative agreement to step down.

["Kozak has been in Panama conversing with different groups, Mr. Ritter said. However, he added, "No agreement was reached be-

A spokesman for South Africa's gotiation

foreign minister, R. F. Botha, said,

however, that if the Angolan gov-

ernment continues with attempts to convene the UN Security Council

to press charges of South African

iotervention in southern Angola,

would be useful if representatives

of the Cuban government could be

of the meeting occurred after the

Portuguese news agency, Lusa, re-

porting from Cape Verde, quoted the Angolan deputy foreign minis-ter, Armando Cadete, as saylog.

Things at the moment are moving

The South African confirmation

ild take place.

to U.S. demands to leave power, which means leave power. Mr. Ritter said any agreement would have to include normalization of Panama's relationships with other countries, "especially the

United States."] One U.S. official familiar with the oegotiations cautioned that in place." General Noriega has "a long bistory of making and breaking deals."

remain in Panama for a time was

meeting to prepare n round of ne-

Mr. Cadete's comments followed

In a breakthrough toward four-

way peace talks, the U.S. State De-

partment announced in February

that Mr. Crocker and Angolan and

Cuban officials, meeting in the An-

golan capital of Luanda, had joint-

ly agreed for the first time to a total

The talks were aimed at arrang-

ing for the simultaneous withdraw-

al of Cuban troops and South Afri-

can forces from Angola, as well as

elections for independence of

neighboring Namibia, which South Africa administers under a disput-

withdrawal of Cuban troops.

U.S. and Noriega Agree on 'Outlines of a Deal' [Panama's foreign minister denied Friday that General Nonega [However, asked what it would ritwork who said "our policy is take for General Noriega to agree that General Noriega must go,

As recently as Wedoesday. Charles E. Redman, the State Department spokesman, said, "lt's nearly inconceivable that you could come to any sort of an arrangement that would leave a former dictator

President Ronald Reagan, who in the past has denounced General The change in U.S. strategy that Noriega and called for his overwould allow General Noriega to throw, was relatively subdued when asked at a picture-taking sessignaled at a briefing by the chief sion Thursday whether General Noriega could stay in his country if he agreed to relinquish power.

"I hope not," Mr. Reagan said. On March 25, when he was asked if General Noriega might be given haven in the Dominican Republic, the president replied, 'No, that's not far enough."

Nonetheless, administration sources who discussed the situation on condition they not be quoted directly said that if the agreement two days of meetings in London holds, it would accomplish the babetween Chester A. Crocker, the sic administration aim of getting U.S. assistant secretary of state for African affairs, and his Soviet counterpart, Anatoli Adamishin, at rid of General Noriega and restoring democracy in Panama. The United States recognizes Eric Arwhich the two were reported to have discussed Angola, Namibia (South-West Africa) and other Afturo Delvalle, dismissed by General Noriega in February, as Panama's president.

The sources said that relinquishment of power by General Noriega, even if he remains in Panama for a while, would demonstrate the wisdom of the administration's policy in attempting to strangle the Noriega government financially rather than remove the general by force.

U.S. officials said General Noriega has shown surprising resiliency in the face of sanctions, which have included the freezing of Panamanian assets in the United States and prohibiting any public or private U.S. payments to the Noriega-controlled government of President Manuel Solis Palma.

These countries include the Dominican Republic, which sources said consistently has been General Noriega's first choice if he is forced INTERNATIONAL EDUCATION DIRECTORY

no major clashes reported between protesters and Israeli troops.

Israeli soldiers searching Palestinians before Friday prayers at Al Aqsa mosque in Jerusalem.

JERUSALEM - The underground committee directing the Palestinian uprising in the occupied territories demanded Friday that the mayors of four West Bank towns resign and called for an escalation of anti-Israel protests with "holy stones" and firebombs.

The committee, the United National Command for the Uprising, also declared the next seven days a "week of anger" and called for general strikes on three days.

Gaza Strip were quiet Friday, with four PLO representatives and one pressure and resigned.

After prayers Friday, several

hundred worshipers demonstrated outside Al Aqsa mosque on Temple Mount in Jerusalem, raising Palestine Liberation Organization flags and chanting nationalist slogans. Soldiers watched from nearby roofs, and a police helicopter cir-

cled overhead Hundreds of policemen and sol-diers were stationed outside the area in case of violence, but the protest ended peacefully.

In a leaster, the committee of

Palestinians Tell Mayors to Resign Islamic fundamentalist demanded that the Israeli-appointed mayors of Ramallah, Al Bireh, Jericho and Hebron resign because they "conunued to defy the Palestinian will,"

The committee had previously called for resignations of municipal councils and mayors, but without singling out individual towns.

No mayors or councils have re-

The leaflet also called on Arab policemen in the territories to quit. In February and March several hundred Arab policemen yielded to

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#### Talks to Begin on Ending Angolan War gained independence from Portu- meeting, but there will soon be a

gal in 1975.

Washington Post Section 1 Section 2 statement in London, said the meeting would be held Tuesday and Wednesday, and would io-clude representatives of Cuba,

which has 40,000 troops in Angola. The four countries have never met formally to discuss the conflict. and the meeting was seen as a po-

The British Foreign Office, in a state of the classes of the class the four-way meeting would have no purpose and it is doubtful it Although refusing to confirm that the Cubans would participate in the talks, the spokesman said, "As far as the South African government is concerned, the talks will be about Cuban withdrawal, and it

Mitterrand was judged Friday to be the winner of a debate with Embassy ioterpreter, Wabid Gordji, who was wanted for questioning over bombings in Paris that killed 13 persons in 1986. Mr. Gordji took refuge in the

Iranian Embassy for four months last year, prompting a crisis with Tehran. He was allowed to leave in November after a summary interview with a magistrate. "You sent Mr. Gordji home after

explaining to me in my office that the evidence against him was crushing and that his complicity in the Paris bombings of late 1986 was proven," Mr. Mitterrand said, Mr. Chirac denied the accusation.

Mr. Chirac used the debate to make a clear appeal to the extreme right, arguing for halting immigration. Mr. Mitterrand replied that while immigration had to be reduced, he would not take part in a witch-hunt of immigrants,"

with the votes of those who favor Jean-Marie Le Pen, leader of the far-right National Front, Mr. Le Pen, running on an anti-

immigration platform, achieved a startling success Sunday in the first round of the elections with 14.7 19.9 percent for Mr. Chirac. Mr. accused of being soft on French 19.9 percent for Mr. Chira urban guerrillas, accused Mr. Mitterland took 34 percent. (AP, Renters)

#### KOREANS: Victims Speak Up

very quickly. I don't know the de-tails of the date and place of this ed League of Nations mandate.

(Continued from Page I) ment of the Koreans nuclear suffering always has been spare, even

in Hiroshima. There, on a street corner, a stone monument stands in memory of the thousands of Koreans who died. According to some estimates,

the 70,000 Nagasaki victims. But the Korean memorial is ming the runoff May 8 could lie across a bridge from Hiroshima's enabled 354 Koreans to visit Japan famous Peace Park, where a ceno- for treatment. tapb honors the Japanese who died. When Korean groups tried to bave their monument moved inside the main park, they were rebuffed by

city officials. This separateness came as a jolt percent of the vote, compared to to Lee Pan Ock, a 67-year-old Hapchon man who was in Hiroshima in 1945 and returned a few years ago.

"Even in death we're discrimi-nated against," he complained. No one knows the exact number of atomic-bomb survivors in South

and North Korea.

man of the casualties association, defeat. said that in Scoul most victims had refused to come forward because they feared discrimination in employment and marriage, both for themselves and their children.

"Outwardly, they are not like me," said Mr. Shin, whose scarred left check and shriveled left ear are testaments to his presence in Hiro-

shima 43 years ago. But the survivors have not been entirely abandoned. The South Korean government provides some Koreans accounted for at least a money for medical care—fourth of the 100,000 who died. A \$180,000 last year—and it opersimilar proportion is suspected for ates a small clinic in Hapchon. Japan has helped a bit, too, underwriting most of a program that

> At the Hapchoo clinic, 15 or so atomic-bomb victims show up each day. Physicians are not sure at this point if illnesses they treat are radiation-related or simply the ail-ments that might be expected in any group of middle-aged and elderly people.

Uncertainty gnaws away. With or without clinical evidence, survivors know that they tire easily, catch colds quickly and get nosebleeds frequently.

Through the years, Korean vic-Most Korean victims made their tims have asked little of the United way back home in 1945, but after States, which, after all, dropped the g partition of the Korean bombs. In part, it reflects an asthat to protect the overall economy be would not slap new tariffs on foreign goods. Uoder the new bill, the president is all but required to honor the trade commission's rec-Shin Young Soo, national chair- ended only because of its wartime

"We are more tolerant of the Americans," said Suh Seok Uh, a
72-year-old survivor of Hiroshima.
"It was because of the bomb that we were liberated."

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Mitterrand of a debate with the winner of a debate with th And the second gave Mr. Mitterrand the edge, while 24 percent said Mr. Chirac 1400 feet (200 mg) dish and remain won the debate Thursday night. won the destate the debate a draw while 23 percent had no opinion was to the factor of The poll of 800 people 18 or older was conducted immediately 70/200 (027) Rich - Remark : Bits. after the debate by the private firm CSA for the oewspaper Le Parisien CSA for the dewspaper No margin of and Radio France. No margin of error was indicated. b her transport THE STATE OF THE DASS. Mr. Mitterrand and Mr. Chirac

parliamentary elections. The leftist Paris daily Liberation A COLUMN TARREST commented on the tone of the debate, saying in an editorial that it P C TWEE recalled a quarrel on a luxurious produce the text to be school playground." uni kata The conservative Le Figaro pre-701 ferred Mr. Chirac, writing that it was better to have a head of state ---bound as closely as possible to real-The second ity, than a dreamer." . Mr. Mitterrand, who has been Visit Name والمنطقة والمسادرة والمساورة .... ಕ. ೧೯೮೮ರರ

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Chirac of setting free an Iranian TRADE: A Policy Shift Emerges

Thirty-two percent of viewers

The debate was the first between

since they began sharing power in

March 1986 after the right won

National Security Council staff George Washington University. "It's way out of line to call this a good bill just because some of the grossest features were taken out." Others see the shift in less sweep-

(Continued from Page 1).

ing terms.

It's a pragmatic compromise," said a senior Canadian official who lias accompanied Prime Minister Brian Mulroney during his visit to Washington. "It's by no means ide-

al, but one has to be realistie." If Congress and the White House this year, economists and political States can charge an entire country

Economists cite two provisions from the U.S. commitment to free trade. Under current legislation, the president can ignore findings by a government adjudicator, the International Trade Commission, that an industry has been burt by foreign competition and should be helped with tariffs on foreign

goods. Mr. Reagan has used this authority in several cases, footwear

#### **POLAND:** Strikes Worsening

(Continued from Page I) when about 5,000 first-shift work-

ers laid down their tools.

The management tried to lock out most of the second-shift workers but some workers broke down a gate and entered the plant, the priest said. He said the number of strikers could be as high as 9,000, but added that he could not confirm that

figure. The priest said the information came from a representative of the strike committee. Demands by Stalowa Wola strikers included pay raises of \$50 a month, reinstatement of coal allowances and the release of de-

tained Solidarity activists. ■ Gdansk Strike Prepared

striking steelworkers, Agence striking steelworkers, Agence wages and prices and thus to raise saying from his home in Gdansk.

The solice charge the strikers at the competition, industry is freer to raise wages and prices and thus to foster higher inflation. "If police charge the strikers at Nowa Huta," Mr. Walesa said, "Solidarity will call the shipyard industries that have been allowed

The Gdansk shipyards, which employ about 14,000 people, were survive in unprotected markets. at the center of a wave of major

among them, where he determined honor the trade commission's rec-

ommendations. The other provision involves foreign industries that are deemed to

analysts predict that a bill next year would be even tougher than the one the president will veto.

York, "it's going to be easier for an industry to get import relief. Congress is tying the president's hands to some degree."

Nevertheless, any trade bill that

the next decade unfolds. The provision gives the adminis-

puter software. Success in such negotiations would help countries achieve the faster growth inevitably associated with a trade environment that is free of protection. But the counries that trade with the United States see few prospects of that in the kind of legislation that Congress has passed. The European Community, South Korea and Ja-

be trading unfairly with the United States — by selling their goods for less than they sell them at home or by thwarting U.S. access to their domestic markets. In the past, the United States could carb imports of the offending product or the goods of the offending industry. Under the new bill, the United

of the bill as ooteworthy retreats

Congress and the president settle upon is certain to contain an important provision that the adminis-tration seeks to belp it steer all countries toward more free trade as

tracion sweeping authority to nego-tiate multinational trade agreemeots through the General Agreement on Tariffs and Trade.
That would expand the authority far beyond goods into trade in ser-vices, such as finance and advertising, as well as into agriculture and intellectual property, such as com-

pan all urged the president's veto on the ground that the bill is pro-

tectionist. Beyond their objections, economists maintain that the more protectionist the next U.S. law, the greater the risks to the U.S. econo-Solidarity called on Friday for out of the U.S. market oormally shippard workers to the northern reduces competition and the incenport city of Gdansk to prepare to tive to hold down prices and build strike on Monday in support of the more efficient industries. Without

Senate Republican staff economist,

protection in the past are often

those who enjoyed protection.

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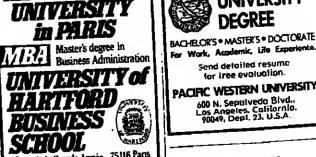
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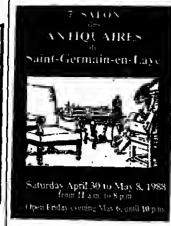
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At Small Paris Sales International Herald Tribune

D ARIS—The glitter is in the big ing of prints, does not even make a ripple on the auction waters. A fur-collectors and professionals the thrill, be it in London, New York of Paris, is in the small sales with slim catalogues and no publicity.

Distributed to the south of France and discovered smilight. His brush-ther element of confusion was introduced by that Italianate French-school painting, suggesting a sale of shided village de Roussillon in the small sales with slim catalogues and no publicity.

auctions -a bit of everything from

uroduced by that Italianate Frenchschool painting, suggesting a sale of
Old Masters, although only seven
lots came under that heading. The
rest were paintings of the 19th and
early 20th centuries.

Drightened.

His "Village de Roussillon," inchided in Wednesday's sale, is a
preparatory sketch for "Roussillon
Provence, an Pays des Ocres," exhibited in 1896 at the Grand Date

The control of the control o or Fans, is in the silian sales what stim catalogues and no publicity. Wednesday at Drouot, Olivier Rieunier was conducting one of those old-fashioned French-style These are ideal conditions for exhibition of 1900, where it was

Value Without Glitter

buyers, assured as they are of not being confronted with any compe-

#### SOUREN MELIKIAN

a couple of English prints at the beginning to paintings, porcelain, furniture and rugs. But a gentle breeze of modernity is now blowing on Drouot. Riemner and his colleague Isabelle Bailly-Pommery had been careful to rope in Dronot experts to study the paintings and tition from major dealers too busy to attend such a session. An additional element of whimsy made it had produced a catalogue with a easier still. The picture section handsome color reproduction of a started off with the ocuvre of Au-17th-century classical landscape of guste de Bourgade, whose name has never been heard at auction the French school on the cover. Unfortunately for the auctioneer and is unlikely to be in the near and luckily for collectors, such a future. His pictures, mostly amacatalogue, with only 44 lots of teurish landscapes painted in this century in a style that would have seemed conservative a century ago, sold for well under 1,000 francs a piece, when they found a buyer. The room had fallen into postprandial drowsiness by the time the first

years before Gagliardini. He startgood things came up.

Unassumingly labeled "French school, 19th century," the very first painting worth a glance was the view of a Mediterranean port. The ed out as a genre painter and became a member of the conservative Société Nationale des Beaux Arts in 1901, sending paintings to its salon at intervals. He too discovcatalogue describes it as the "Baie d'Antibea," but as the small landscape was being paraded by the Drouot porters, the auctioneer's clerk announced with an unintended touch of humor, "We are not in a position to guarantee that this is Antibes." A Parisian writer who collects views of Algeria, where he was born, started bidding in rapid nods. At 7,200 francs — 9,179 francs with the premium — he got his coveted prize with the expression of the cat that just got the whole bird's nest. "Algiers," he murmured in answer to my raised eyebrow. "Early-ish?" "Before 1850, of course." Which makes the

view a document of the first water. He suggested be had identified the painter but did not elaborate. The auction was already well into the next lot, an Alpine land-scape with farmhouses in a valley. The academic painting entered as "Swiss school, 19th century, attributed to Ricois" is competently done and well worth its salt to anyone with local roots. It went for 10,002 francs.

Then came two interesting pic-tures. Julien Gustave Gagliardini may not loom large in art history books, but he is a fascinating case. He belongs to that vast artistic community rooted in the academic

bought by the French government. The view of a tree-lined avenue on top of a hill leading up to a cluster of houses is conventional, but the colors vibrate - manvish pinks, intense greens, motley lavender blue. For some reason, it was stated at the sale that "the picture is only attributed to Gagliardini" but, the expert went on, "it has an excellent provenance." It came indeed from

ARTS/LEISURE

A sketch of a harbor at sunset by Eugène-Louis Gillot, sold for 9,414 francs

salon at intervals. He too discovtwo landscapes painting and developed a free modernistic manner, at age 57, at the height of his career, influenced by Manet and Boudin.

Gillet was feedinged in a meticulous manner distance, Echo appears as a discontent and are done in a meticulous manner. Gillot was fascinated by scaports. with a concern for detail that could He was represented in the sale by a be called topographical if it were delightful sketch of a harbor at sunnot for the intensely poetic hanset on a grayish wintery day. Done dling of light. The miniature-like in a few bold strokes, it is in an musual circular format to which the composition is brilliantly adjusted. Given Gillot's relative obscurity, it sold well at 9.414 france, less of Brazilian rosewood, the two but is worth every centime of it.

In a typical Drouot quirk, the 34,635 francs the pair.

Gillot was followed, totally out of An acquisition of the same order

context, by the prettiest imaginable could have been made 10 minutes essentially, he said in an interview, a couple of bids more to match the pair of English decorative land-later in the field of Old Masters on the basis of the artist's drawings. reserve in each case. Both would be scapes. Daniel Williamson, the author of the two panels — "Saint of 17th and 18th century pictures but not foolproof." Had the plansistic beauty of Droug, John's Vale" and "Anglers at Borrowdale," both dated 1840 — was suction. This is the mythological sale of French Old Masters combave to browse around the rooms. the son of a portraitist, John Wil-scene reproduced on the cover catliamson of Ripon who made a ca- alogue which illustrates the classireer in Liverpool. Father and son cal theme of Narcissus and Echo. 60,000 francs. On Wednesday, it have to have lots of time which to were both founding members of the Narcissus is impersonated by a found no buyer and fell flat at some people, is money.

tranght woman equally fleshy, aim-lessly flailing her arms behind a cluster of trees. Dusk is falling over the landscape done in the Italianate manner of Poussin. Golden streaks brighten the bluish sky while a rising evening mist is about to engulf a blue mountain on the horizon.

Eric Turquin, the leading Drouot expert in Old Masters, catalogued it as the work of Jean-Baptiste For-est, active in the late 17th century,

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other good picture, a landscape by an Italianized northerner, Pieter Mulier the Younger, known in art history as Tempesta. The wooded landscape with some sheep and goats trotting away as the storm is beginning to blow through hig leafy trees is superbly done. It is worth a lot more than the 25,000 francs at which it was bought in.

To anyone wanting the Forest or the Mulier, it would have cost only ducted by Jacques Tajan on April every day — and know a thing or 14, it would easily have climbed to two about your subject. You also

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AUCTION SALES

ANAGUA — The timeless M characters from Chekhov,

tradition which became so impressed by the avant garde movements of the late 19th century that it gradually went over to them. From 1869 to 1880, Gagliardini, then in the prime of his youth, did it gradually went over to them.
From 1869 to 1880, Gagliardini, then in the prime of his youth, did portraits and historical genre scenes in the conventional manner. Suddenly, he switched to landscapes. Open air painting freed his manner. Like the Impressionists,

never before seen in Nicaragua, are onstage at the country's largest the-ater this week.

By Stephen Kinzer

the artist's family. At only 34,635 francs someone got a very pleasing if unpretentious landscape.

This was followed by the work of

Gagliardini's but who painted in a

style and mood that are utterly dif-ferent. Engene-Louis Gillot was born in 1868 and died in 1925, two

one, in the country's Even by Central American standards. Nicaragus is no haven for culture, especially the performing arts. Culture, usually lacking im-mediate political value, has been stranded while the country has

been consumed by war and economic crisis. No major Chekhov has ever been produced here, people who follow theater in Nicaragua say, and psychological drama is all but unknown. At the premiere on Tuesday, Chekhov was obviously something

very new and puzzling for Nicara-guans. The audience filled only half the 1,300-seat Ruben Dario Theater, and the unsteady perfor-mances reflected the enormous limitations under which artists function here. One of the actors, Erasmo Alizaga, who plays the role of Gayev, joined the production after returning from 45 days of compulsory military training.

No flags or political emblems were on the stage, and the text contained no call to the barricades,

no inflammatory language. For many Nicaraguan theatergoers, that was novel

Adding to the curiosity was the fact that the production was directed by a Lithuanian, Adolf Shapiro, who brought a set designer and a teacher of movement with him from Moscow, where he now works. In addition to mounting "The Cherry Orchard," the three The Cherry Orchard," the three coviet visitors have been holding eminars for Nicaraguan actors and others interested in theater.

No senior government officials and they pounced on Shapiro when he visited Nicaragua to view a theater festival two years ago. To their delight, he agreed to return and mount a production. Soviet visitors have been holding seminars for Nicaraguan actors and others interested in theater.

Nicaraguan actors rehearse a scene from "The Cherry Orchard."

attended the premiere, but several Sandinist artists, including two po-ets, Carlos Rigby and Gioconda ragua. With him he brought not Belli, were there, as was a strong just two assistants and the Chekhov contingent from the Soviet Embastext, but a belief that drama must sy, led by Ambassador Vaino Viatranscend politics.

The Soviet Embassy co-sponsored the production, which was partly underwritten by several local businesses, including a brewery and a pizza parlor.

There are a handful of theater companies in Nicaragua, and the government provides stipends to since the 1979 revolution, most theater productions, most of them performed in rustic surroundings, have been didactic works with a political message.

At least some theater people here have begun looking further afield,

tors wanted to go beyond propa-ganda, toward the higher cultural level of theater on a world scale,"

Shapiro said before a rehearsal several days ago. "For them, this is an encounter with Chekhov, an introduction to psychological drama and a course in the Stanislavski method all rolled into six weeks."

Artists on the level of Shapiro

"I saw that these Nicaraguan ac-

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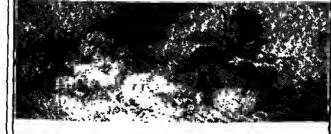
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Chekhov Makes Nicaragua Début After leaving Managua next-week, Shapiro is to attend festivals in West Germany and Italy before returning to Moscow.

At rehearsals for "The Cherry. Orchard," Shapiro was firm and direct, and apparently not every-

one in the company was used to his demanding style. At one moment, he lectured technicians about the relationship between lighting and music. Then he fell quiet to watch a scene, only to jump from his seat, strate how an old and perpleted man like the valet Firs should lie down for a nap from which he might or might not awaken.
"He's always teaching," said
Ivon Garcia, who plays Anya. "He
knows the characters so well. He

doesn't just direct the action he transmits what he knows. Every observation he makes is a lesson.

Most of the actors in this production are part of the National Comedy Company, one of Nicongu's few professional theater groups. The head of the company,

Socorro Bonilla Castellon, has renumed to the stage in the role of Madame Ranevsky. I didn't want to miss the chance of working with Shapiro," Bookla said. "This is the kind of thioself have to be doing in Nicaragna it we want to connect our people to uni-

versal culture." With peace possibly on the Nita-raguan horizon and political fact beginning to blur, more complica-ed psychological dramas may begin to find an audience here. Plays his "The Cherry Orchard," which his people against their surroundings and their psyches rather the against one another, reflect the

# Australia: Tacking Toward Asia



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Gitten, sold for 9.414 1 March 23: Australian Dollar Rises to 2-Year High

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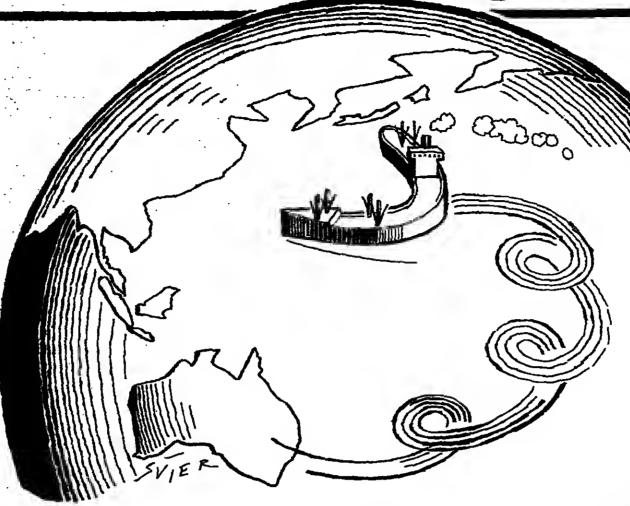
Australia's gross domestic product rises 1.5 percent in the fourth quarter of 1987, the Statistics Bureau announces. The quarter-ly figure is 4.6 percent higher than that for : the same period a year earlier.

April 10: Air Merger Plan With New Zealand Dropped

A proposal to merge Qantas, Australian Airlines and Air New Zealand is dropped after cootroversy arises in both countries over the plan. The Australian government was to have had a 41-percent stake in the carrier formed from a merger of the three air-

April 30: World Expo To Open in Brisbane

Australia's largest bicentennial event, World Expo '88, was to open in Brisbane. Officials said about 44,000 people a day were expected to attend.



## **End of Isolation Poses Dilemma**

By Geoffrey Blainey

ELBOURNE - Australia today is like a large raft that is being swept swiftly along an uncharted river. Io 30 years' time, it might be far along the river, in a place that oow seems unrecognizable. On the other hand, Australia might be floating in a backwater not far from its present stretch of river.
Its present problems are social, political, strategic and, not least, economic. All are soluble. The eventual solution, however, could

produce a very different Australia. On paper, Australia's advantages far excood its weaknesses. It is the world's only nation with a continent to itself. While most of the terrain is dry and while the huge "lakes"

depicted on Australian maps hold no water in a normal year. Australia is, by virtue of effi-cient farming, a large exporter of grains, meat and wool. It is also one of the world's great

Since the British began to displace the aborigines, Australia bas oot been invaded. Even

#### COMMENTARY

during the Japanese advance in 1942, only a few small tropical Australian towns were

Political and social institutions in Australia are stable, although the stability is perhaps eroding. Australia is one of the world's six or seven oldest continuous democracies. It was the first nation to allow women both to vote in elections and to run as candidates.

Australia has profited from its relative iso-

lation, which gave it military security. But the isolooo is diminishing, and that fact will help to reshape Australia. It might even endanger its independence.

The original Australians arrived at least 40,000 years ago, when the sea levels were much lower and Java and Borneo were part of the Asian landmass. Their arrival was the triumphant eod of a slow chain of voyages to successive islands, most of which were visible from the adjacent Island oo a clear day.

These aborigines and their descendants explored every corner of Australia and named every peak and creek. Their way of life was

Continued on page 8

## **New Faces Change** The Nation's Face

Regional ties flourish on the ruins of white Australia' policy.

By Michael Richardson

ANBERRA - About 1.3 million people will have applied to immi-grate to Australia by the time the financial year ends in June. Ooe in 10 will be selected for settlement.

If the pattern of the past few years is repeated about 33 percent will come from Asia, 3) percent from Britain, Ireland and New Zealand and the balance from other parts of the

The diversity of this mass immigration is a major factor in the striking changes at work io modern Australia, changes that profoundly affect the structure of the country's economy and the attitudes of its people.

Accompanied by a shift in trading patterns over the past 30 years from a dependence on Britain to an increasingly important relation-ship with Asia, they have helped transform Australia from an isolated and overwhelmingly Anglo-Celtic enclave on the periphery of Asia into a more outward-looking country with stronger ties to the Asia-Pacific region.

The emergence of today's multiethnic, multicultural Australia, which is quickly apparent to any visitor, owes much to the abandor in 1973 of the last vestiges of a "white Austra-tia" policy that had blocked non-European immigration since 1901.

Stephen Fitzgerald, a former Australian am-bassador to China who led a recent federal government review of immigration, cootends that the inflow of settlers selected without discrimination has stimulated economic growth, adding new skills and investment, and has brought a willingness to work hard to a

country known for its relaxed lifestyle. Mr. Fitzgerald also believes that the revised immigration policy has helped Australia devel-

op closer ties with the Asia-Pacific region, where the racially discriminatory policy had

Two decades ago, Europe absorbed 31 percent of Australia's exports and provided 41 percent of its imports. By 1986, these ratios had dropped to 21 percent and 29 percent respectively. Io the same 20-year period, Asia's share of Australian exports rose from 40 percent found to be a superior and the same 20-year period. cent to 53 percent, fueled by Japao's need for raw materials and rapid ecocomic growth in other countries of East Asia. The Asian share of Australia's imports rose from 23 percent to

40 perceot. Trade is central to Australia's commoditydependent economy. When international de-mand and prices for Australia's main export commodities collapsed in the early 1980s, the economy was severely affected.

Falling exports and revenues combined with high levels of government expenditure and wage increases made oational spending grow much faster than income, and Australia was forced to borrow abroad. Net foreign deht leaped from 8.5 billion Australian dollars (56.5 billion) in mid-1981 to nearly 87 billion dollars in December 1987, or about 32 percent of gross domestic product. The cost of repaying principal and interest now consumes about 20 per-

cent of annual export earnings.

After winning general elections in 1983, the Labor government of Prime Minister Bob Hawke floated the Australian dollar, cut government spending, oegotiated wage restraint with trade unions and deregulated financial markets and interest rates,

Since 1985, the value of the Australian dollar has fallen about 33 percent against a basket of foreign currencies, and by substantially more against the strongest currencies, such as the Japanese yen, making Australian exports far

cheaper for many overseas huyers.
Robert J. White, a director of Westpace Banking Corp., said recently that, by floating the dollar, the Labor administration had opened Australia to a range of ecocomic disciplioes that oo previous government in Canherra had dared to accept. As a result, be said, all economic activity has become subject to inter-

national market forces.

Malcolm Fraser, former prime minister of the Liberal-National Party coalition government that lost office to Labor in 1983, said he believes that the greatest benefit of the pragmatism shown by the Hawke government may

Continued on page 10



In Thailand, people are passionate about flowers. But it is the orchid which reflects so much the gentle ways of the Thai people. And this is shared with passengers who fly In I national, people and this is snared with passengers who fly Thai. A gift of a fresh orchid is just one feature that's made Royal Orchid Service so famous. Thai. Centuries-old traditions. Innovative thinking. State-of-the-art technology.



#### Hawke's Voters Turn Rebellious

'Maybe there are some things I've got to do differently.'

By Michelle Grattan

ANBERRA — Less than a year after winning a record third term, Austra-lia's Labor government, led by Prime Mioister Boh Hawke, finds itself confronting the possibility that the electoral tide might be turning against it so seriously that its chances of a fourth term may be lost well before the 1990 election.

The government has been shaken by losing one hy-election and suffering a big swing in another. The Labor government in the key state of New South Wales was turned out of

Those deserting Labor are its traditional supporters: Australians earning average wages who have been feeling the pinch of the policies necessary to make the economy competitive. These voters living standards have been squeezed for several years under the impact of Australia's trade problems. They are also disillusioned with seeing former ministers getting plum government jobs.

Mr. Hawke has been criticized for spending too much time on the golf course and having too many rich friends. Both the government and Mr. Hawke are plummeting in the opinion polls. The Bulletin magazine's Morgan Poll reported, under the heading "Bob's Charisma Countdown," that by late March Mr. Hawke's approval rating had plunged to the lowest point since he became prime minister.

The Labor Party has become much more assertive in its relations with Mr. Hawke, although it is not questioning the direction of economic policy. For example, Mr. Hawke failed to get the candidate he wanted as the party's national secretary. The electoral set-backs, meanwhile, have triggered a party probe into the reasons for its declining support.

While the government is in serious political trouble, the economy is looking relatively healthy. The October stock market crash has not had much effect. The strengthening in international commodity share prices is good oews, although the question is how long it will

Inflation is falling and is expected to reach about 6 percent in June, dropping below 5 percent by June 1989. Unemployment is down to 7.4 percent. The Australian Council of Trade Unions has agreed to take this declining inflation rate into account in a new wage structure. The Hawke government has said it will make cuts in the personal income next

Mr. Hawke tells Australians that the worst is over, that living standards can now be main-



Bob Hawke

tained or possibly increased and middle-in-come earners will find the next few years better going. But the government has to be careful with its rhetoric. It cannot afford to give the impression that economic policy can be re-

Despite the political pressures, the economic resolve of the core of senior ministers remains unchanged. Mr. Hawke believes the government's present problems are mostly a failure to communicate its message in the electorate properly, although he concedes that the government oeeds to do more in some policy areas, especially welfare.

Mr. Hawke says of his own style: "Maybe there are some things I've got to do differently." But colleagues get the impression be does not think much needs to be changed. The government's political crises have raised

internal questions about the leadership.

Treasurer Paul Keatiog is anxious to assume the prime minister's role. If he has to wait too loog. Labor may be already in opposition. But Mr. Hawke says be will lead Labor to the next election, and the majority of the party believes that despite his recent faltering performance.

he is still Labor's best electoral card. Mr. Keating's mini-budget on May 25 will be the chance for the government to regain the initiative. The mini-budget will contain big changes in business taxation, with plans for company tax to be brought down to about 40 cens on the dollar, paid for by cuts in the generous depreciation allowances industry en-joys and in other business concessions. Mr. Keating says he does not intend that the overall burden of corporate tax he increased.

The cuts in spending will not be nearly as harsb as last year, when 2.5 billion Australian dollars (\$1.9 billion) was shaved from recurrent spending and the grants to states. Austra-lia's budget is now in surplus, so the razor can be less sharp. But officials do want to make room for new initiatives to combat the political problems, while keeping fiscal policy tight. The mini-budget is also due to contain cuts in

Australian tariffs, but the extent is yet to be

While general economic policy is on course, the drive by Mr. Hawke and Mr. Keating to sell off government business enterprises is floundering. Mr. Hawke has had progressively to narrow the agenda. A plan for a new airline. with 49 percent private capital in be achieved hy a three-way merger of the international carriers Qantas and Air New Zealand and Australian Airlines, the government's domestic

carrier, has fallen through.
With opposition in the Labor Party to "privatization continuing in mount, Mr. Hawke seems in have little chance of getting hig changes to the hardline party platform at the Labor Party conference in June. The platform strongly supports continuing government own-ership of enterprises that are already in government hands, although be is still looking for some compromise. The Labor government is bound by the decision of the conference, which comprises delegates from the state branches of

R. HAWKE and Mr. Keating have driveo the Labor Party to accept policies of economic ra-tionalism, but when it comes to selling off government businesses, which bave a long history in Australia, the party appears increasingly determined to draw the line.

The party will be more supportive of the government's plans later this year to try to reform Australia's outdated constitution. The planned changes include lengthening the Parliament's term from three to four years, abolishing the "gerrymanders" that exist in some states, and enshrining some "rights," such as the right of assembly. But the government has backed away from an earlier proposal for a fixed-term Parliament, fearing that the opposition to it would be too strong. The conservative parties will oppose the referendums, considerably reducing their chances for success.

Australia's conservative opposition, which includes the Liberals and the National Party, is benefiting from the government's mistakes, but is still fighting internally. As bappened last year, the conservatives are having trouble assembling a taxation policy. Taxes are likely to be a key issue again in the 1990 election. The Liberal leader, John Howard, is wondering whether to include a consumption tax in the policy. But the rural-based National Party is strongly against this. So are many Liberals, including the shadow treasurer, Andrew Pea-

There is no challenger for Mr. Howard's leadership of the conservative forces. But his performance comes under wide criticism, mut-ed only because Labor's problems have given the conservatives a natural break. Mr. Howard has had recent clashes with the new president of his Liberal Party, John Elliott, an international businessman. Mr. Elliott, who embarrasses the Liberals by speaking his mind, insists he is not interested in a parliamentary career in the medium term, but the Liberals' parliamentary leaders have been suspicious of his intentions.

MICHELLE GRATTAN is the chief political correspondent for the Melbourne Age.



Protesters in Brisbane ask what aborigines have to celebrate during Australia's bicentennial year.

## Aborigines: Australia Grapples With a Problem of Conscience

By Michael Richardson

ANBERRA - While most Australians are happy to make 1988 a year of national celebration to mark the 200th anniversary of European settlement, militant groups of aborigines — the original inhabitants of the continent — have

ectared it a time of mourning.

Aborigines in Australia have little political leverage. There are roughly 206,000 of them, in addition to about 22,000 Torres Strait islanders, but together they form only 1.5 percent of the total population of 16 million.

But, particularly this year, they represent a problem of conscience for Australians and their leaders.

Prime Minister Bob Hawke noted in a speech on New Year's Day that from wretched beginnings the first Europeans and subsequent settlers in Australia from many different parts of the world had built a nation marked by unity and diversity.

This is something we can properly be proud of," he said. However, in a reference to aborigines, he added that there was "a darker side" to

"Mistakes have been made, wrongs have been done, injustices have been inflicted," he said. "And it does no service to the memory of the pioneers or to our own generation - and even more important, no justice to our hopes and ideals for the future generations - if we ignore these things."

Shirley McPherson, an aboriginal who chairs the Aboriginal Development Commission, gives a battery of statisties that show how far many aborigines lag behind the general community. The commission is the largest ab-

"Our life expectancy is 20 years less than other Australians," she said. "Aboriginal babies are three times more likely to die, and those who survive are far more likely to live in substandard housing or temporary shelters."

Unemployment among aborigines, she pointed out, is four times higher than the Australian norm, while their income is only half the national average.
"Our bome ownership rate is 19 percent

compared with 70 percent for non-aboriginal Australians, and the imprisonment rate of aborigines is 15 times higher than that of the general population," Ms. McPherson said. A commission of inquiry appointed by the government is investigating the deaths of more original Training and Cultural Institute in Sydney.

than 90 aborigines in prison since 1980. Most were found hanging in their cells. Police have denied allegations of brutality against aborigi-nes in prisons and have described the deaths as

ters oot only on what should be done to rectify past injustices and present inequality, but on who should be regarded as authentic spokes-men for black Australians. Aborigines are scattered widely throughout

Debate about the position of aborigines cen-

Australia. Most live in Western Australia, the Northern Territory, Queensland and New

In the past, there has been little cooperation between aboriginal rural and urban dwellers, between members of different tribes and clans, or between young east coast radicals and traditional elders in remote bush settlements.

Policy differences between the federal government and its territories, on one side, and some of the six states of Australia, on the other have complicated management of aboriginal

Alleging widespread inequality and dis-crimination against black Australians, aborigi-nes and their white supporters have held protests at some of the events staged for the bicentennial. The largest, in Sydney on Jan. 26, was a march of about 15,000 that included aborigines from around Australia.

The most extreme of these demands include separate nationhood for aborigines and the Torres Strait islanders, who inhabit dozens of small islands in the Torres Strait between the northern tip of Australia and Papua New

Michael Mansell, legal adviser to the Tasmanian Aboriginal Center in Hobart, bad planned this month to lead a small aboriginal

to litoya to seek imancial al Third World trade embargo against Australia. White critics of this kind of radicalism, many of whom profess sympathy for aborigines, argue that it is divisive and draws attention away from practical policies that would help aborigines find jobs, raise their living standards and allow them to integrate more

easily into the general community.

A substantial number of aboriginal leaders are wary of extreme proposals, although their voices are often drowned by those of the militants and find little space in the major Austra-

lian media. Margaret Valadian, co-director of the Abtoo much preoccupation in aboriginal affairs with political slogans and not enough thought given to programs that will diminish depen-

"If aborigines are prevented from joining the mainstream of society and finding places in the labor market," she said, "then you're looking at apartheid in this country."

Gerry Hand, the minister for aboriginal af-fairs, announced in Parliament in December that the government would set up a commission of aborigines and Torres Strait islanders. In a recent interview, he said that an overwhelming majority of officeholders on the commission would be elected by aborigines in more than 50 regional councils throughout

Establishment of the commission, he added, was part of an attempt by the government to decentralize the administration of aboriginal affairs and make it more responsive to the aspirations and priorities of aborigines at the local level.

Existing aboriginal bureaucracies, including the Department of Aboriginal Affairs, are to be amalgamated and put under the control of the commission. An aboriginal economic development corporation will be established to fund aboriginal business enterprises.

These reforms have been overshadowed, however, by controversy over a proposed preamble to the legislation that will establish this

In the preamble, the government for the first time acknowledges that aborigines are the original owners of Australia. It also notes that they now form "the most disadvantaged" sector of Some opposition members asserted that this:

gnition could provide legal grounds for an avalanche of claims by aborigines to land ownership based on prior occupation, or to massive financial compensation for loss of land

However, for the time being at least, courted decisions that Australia before 1788 was terra mullius, or land belonging to no one, remain as legal precedents.

Mr. Hand, a member of the left-wing faction of the Labor Party, said the government would, in effect, be paying compensation to aborigines in the form of finance for a range of special aboriginal programs and business enterprises. The government hopes that the preamble will he the basis for making a historic compact with.

## **End of Isolation Brings Identity Crisis**

Continued from page 7

nomadic though systematic and they ate a wide variety of plant foods and meat, moving periodically to make the maximum use of the seasonal supplies of foods.

They possessed no permanent villages, no

pottery, oo irrigation and no domesticated plants and animals, with the exception of the half-tamed dog, the dingo, which reached

Australia in the last few thousand years.

The nature of a nomadic society is to possess few material objects — its survival depends on traveling lightly. As its standard of living depended on maintaining a small population in a relatively large area, it was militari-

The first British fleet reached what is now Sydney in 1788. When eventually the sheep and cattle multiplied and spread across the more fertile parts of the continent, the aborig-

ines were in jeopardy.

They were rarely able to drive back the incoming British. But they suffered far less from military battles and from a thousand isolated episodes of violence than from such new diseases as measles, smallpox and influenza, to which they had no immunity. By 1900, it was assumed that the aborigines

would become extinct, so drastic was the fall in their oumbers. In the last four decades, the aboriginal population of pure and mixed an-cestry has grown swiftly and is now close to 250,000, or just 1.5 percent of Australia's total In the last decade, a large injection of funds

has not gone far toward remedying the poor health and low level of employment and low motivation of a large section of the aboriginal population. And yet, the fact is that some aboriginal leaders have a verbal fluency and political acumen that gives them a weight in Australian politics out of proportion to the tiny aboriginal share of the population.

In retrospect, the old abonginal Australia was precarious because it existed in virtual quarantine. The confrontation in 1788 was therefore like a catachysm: Here was England, the nation that had just invented the steam engine. face to face with people who could oot boil water.

Significantly, Australia today faces a milder but still perplexing version of the same se-quence of isolation and confrontation. For

who largely traded with Europe and who were willing to fight in Europe's wars.

Now, however, Australians in positions of influence are alert to their changed geogra-phy. While many are excited by Australia's closeness to Asia, many are quietly nervous of that closeness. This dilemma flavors Australian debates on economic and military policy, immigration and even a sense of national

The Japanese capture of Singapore in February 1942, along with Australian and British armies, ended the long era when Australia relied on Britain's military strength to keep Asia at arm's length. The rise of Japan in the 1960s to become Australia's export market signaled a new dependence, economically, on Asia.

THE flow of Vietnamese refugees into Australia in the late 1970s — Austra-lia in proportion to its own population has been the world's largest haven for these refugees — accelerated the turnaround in immigration policy from a reliance on European migrants to a strong preference for people from the Third World. Of Australia's net gain from migration — the excess of those arriving over those departing —
Asian peoples alone have contributed oearly 60 percent in the last four years.

lo a nation whose population is still 74 percent Anglo-Celuc in ancestry, and 94 percent European, this dramatic increase in non-European immigration is seen as too extreme and quick a change by most Australians. The main political parties, intellectual opinion and the media support the change far more than do typical Australians.

As an effective immigration policy depends far more on the prevailing attitudes in the suburban streets of Sydney than in the corn-

dors of Canberra, the present policy could he sowing the seeds of tensions.

The swing from ignorance of Asia to an official policy of building bridges to Asia is sensible, but the speed of the swing and the hastily stitched ideology justifying the swing suggest that the pendulum at present may be going too far.

going too far.

The slogan underwriting these changes is the emphatic claim that "Australia is part of Asia." Even if the slogan were factually correct, it suggests a crude form of geographical determinism. In a shrinking world, a nation two centuries Australia was an outpost of has more opportunities than ever before to European civilization, peopled by Europeans forge links with both distant and near nations.

Thus, Japan has recently extended its web of interest far from Asia.

Even as a statement of geography, the idea that Australia is part of Asia has to be treated. carefully. All European lands are closer than

Anstralia to the heartlands of Asia.

On the other hand, Australia is oot distant from parts of Southeast Asia and is especially close to the populous nation of Indonesia; and that proximity will probably have a strong influence on Australia's future. Australia's vul-nerability lies partly in the fact that its sparsely peopled districts are those that lie closest to

In the long term, Anstralia's main problem is probably defense. It is unusual for a nation to possess a landmass and a great repository of natural resources and be unable to defend

its territory adequately.

Australia relies heavily on the United States for its defense, but in the last resort an ally is useful only if it gives aid at the exact time, when aid is needed. Australia was for long. protected by the world's great naval power, Britain, but in the crisis of Pearl Harbor and Singapore, that special ally was overextended and could give little help.

The day could come when the United States

is similarly overextended and cannot send this conventional military forces remain the arbiters in warfare.

on several vital issues, the nation's politics are often fuzzy with fantasy. Most Australian, politicians, unlike their counterparts in Southeast Asia, do not understand that the security of the nation is usually the first goal in politics. Thus, there is a strong current of opinion that, because of the treatment of the continuously service services abortains approximately.

that, because of the treatment of the conti-nent's earlier aboriginal owners. Australia's own legitimacy is dubious.

The Liberal Party, even more than Labor, supports a policy called "multiculturalism," whereby ethnic groups are subsidized to maintain their own culture and encouraged to, divide their loyalties between their homeland and Australia. Australia is in some danger of becoming a cluster of tribes. Such a nation has no sure future.

Australia's economic difficulties, thouse the standard of living is falling and the na-non's external debt is high and still rising, the economic problem, unlike several other na-tional problems, is at least recognized.

GEOFFREY BLAINEY is a professor of his tory at the University of Melbourne

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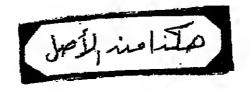
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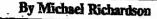
AUSTRADE
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#### Armed Forces Spending

Military Strategy Concentrates on High-Tech Defense of the North purchased by Australia is due to become fully Critics assert that too much money is operational. The base is at Tindal, near Katherine in the Northern Territory. Four Boeing

being spent on long-term projects and not enough to rectify glaring immediate weaknesses.



ANBERRA - Defending Australia, a continent nearly as large as the United States and one and a half times the size of Europe, is a daunting task.

The northern coastline alone stretches for about 4,000 miles (7,000 kilometers) from Broome in the state of Western Australia to Cairns in Queensland. Separating these two small urban centers are vast regions of harsh and sparsely populated territory.

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The land area of Australia is surrounded by almost equally large fishing and resource zones and some widely scattered Australian islands in the Indian Ocean, Timor Sea, Arafura Sea and the South Pacific Ocean.

The regular military forces are small. There are about 70,800 men and women io the army, navy and air force. Reserve strength is just over

With a limited population base to draw on, Kim Beazley, the defense minister, believes that if Australia is to achieve a credible and increasingly self-reliant defense posture, it should acquire the most advanced military

For Australia, it must be a technological fix. There is no alternative," be said in a recent interview, "Sixteen million people concentrated a long way from the main points of vulnerability on the continent cannot defend Australia by manpower solutions."

Mr. Beazley, who announced his defense reorganization program in a statement to Par-liament in March 1987, added that the country could only be defended "by excellent surveil-lance equipment and well-coordinated basing and deployment of high-technology fighting equipment

Defense planners say that acquiring the long-range warships, sobmarines, aircraft, troop transport belicopters, radar and intelligence-gathering installations that are needed over the next 15 years will cost about 25 billion Australian dollars (\$17.5 billion), the largest capital equipment program for the armed

forces in Australia's peacetime history.

Critics of the Labor government's policy in the political opposition and among military analysts, particularly those on the right, believe that the annual allocation of 2.8 percent of gross domestic product for defense is inade-

They assert that too much of the available money is being spent on long-term projects and not enough to rectify glaring immediate weaknesses in Australia's defenses, including a high resignation rate. Peter White, a retired

army officer who is the opposition spokesman on defense, said the resignations were under-mining the operational effectiveness of the armed forces.

As evidence of increased potential for unfavorable shifts in the balance of power in areas of strategic concern to Australia, critics point to growing Soviet involvement in Southeast Asia and the South Pacific, Libya's efforts to gain influence at the expense of Western interests in South Pacific island states and conflict between pro- and anti-independence forces in the French territory of New Caledonia. They also note the growing doubts about the future of U.S. bases in the Philippines, the two coups staged by the military in Fiji last year and India's recent acquisition from the Soviet Union of a nuclear-powered submarine with the likelihood that more will follow.

Australian military officials concede that it will take about a decade of effort before the northern defense strategy is fully operational. They agree that Australia's neighborhood is

becoming more complex, but say that none of the developments in the past couple of years represents anything like a direct threat to the country's national security.

Shortly after he announced the defense reor-

anization program, Mr. Beazley emphasized that Australia was not modernizing its military because it suspected its northern oeighbor. Indonesia, the world's fifth most populous country, of hostile intent.

Referring to Japan's attempt to invade Australia in World War II, Mr. Beazley commented: "We can be, and have been, auacked through the Indonesian archipelago and the southwest Pacific. There is no other direction from which you could attack Australia without being almost certain of defeat." Under the military reorganization, substan-

tial parts of Australia's forces are being moved from relatively densely populated eastern and southern coastal areas to bases in the mainly empty north and west of the country.

Last mooth, Mr. Beazley announced that a

oorthern military command would be established. He said the government would also build a permanent base for naval patrol boats on Australia's remote northwest coast. The Second Armored Cavalry Regiment is

to be relocated in Darwin, capital of the Northern Territory, and this may be followed by a regular brigade. A chain of oorthern airfields is being pro-

gressively developed from Learmonth in the northwest to Cape York in the northeast, just below Papua New Guinea, so that combat, patrol and transport planes can operate from

In September, a major base for some of the CHARLEST AND THE CANADAS AND THE 707 jets are to be modified for in-flight refuel-

ing to increase the Homets' range and payload. The Hornets will augment Australia's force of 22 supersonic swing-wing F-111 strike air-craft and 20 P-3C Orion maritime patrol planes armed with anti-ship missiles and depth charges for anti-submarine warfare.

A sophisticated electronic intelligence-gathering station is being built near Geraldton in Western Australia and three "over-the-horizon" radar complexes are planned at a cost of about 500 million Australian dollars. By bouncing signals off the ionosphere, this radar system, developed by Australian scientists with U.S. assistance, can detect aircraft and shipping movements in Southeast Asia up to 1,500 miles away, far beyond the range of conventional radar.

Mr. Beazley said that an effective over-thehorizon radar was of critical importance for Australia. "It will give us the capacity to put aircraft quickly where they need to be in any emergency," he said.

Another key element in the defense reorganization is enlarging the navy and moving nearly half the surface and submarine fleet to a base close to Perth, capital of Western Australia, by the mid-1990s. The present fleet headquarters are at Sydney and Jervis Bay on Australia's east coast.

Under the defense program, the number of major surface warships in the navy is to be increased to 17 from 12 at present. Six Swedish-designed Kockums Type 471 diesel submarines, among the biggest and quietest in the new class of light patrol frigate, patrol boats and mine sweepers.

In the past few years, two destroyers and one of Australia's six aging Oberon class subma-rines have been moved to Western Australia. Other surface ships and submarines will follow

at a rate of about one a year.

In the early stages of the defense review initiated by the Labor government, some offcials in the United States and Southeast Asia expressed concern that Australia was becoming isolationist and might not maintain the capability for joint operations with friendly countries and forces in the Western alliance.

However, the 1987 defense statement emphasized that the policy of self-reliance was being pursued within a framework of military alliances and regional defense cooperation agreements, the "most significant" of which was the ANZUS mutual defense treaty with the United States.

Far from contracting, defense and intelligence collaboration between Australia and the United States has increased in the past few

Admiral Ronald Hayes, commander in chief of U.S. forces in the Pacific, noted recently that security cooperation between the United States and Australia has never been better."
Australia is the site for three joiot U.S.-Australian facilities that provide the United States with important military communication links. intelligence and early warning of a ouclear

The Labor administration in Canberra op-



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world, are to be built in Australia along with a Troops of the 1st Armored Regiment morching past their Leopard tanks.

posed the New Zealand Labor government's decision to ban nuclear-armed or nuclearpowered ships from its ports, a decision that led the United States to suspend military cooperation and its security guarantee to New Zealand under ANZUS.

However, the rift between Washington and Wellington has belped bring about a closer security relationship between Australia and New Zealand, with both countries agreeing to buy common equipment wherever possible. engage more frequently in joint exercises, exchange intelligence and work together to help maintain stability in the South Pacific. In February 1987, the government an-

nounced that it would give the same priority to expanding defense ties with South Pacific islands as it gave to maintenance of long-standing defense relations with Papua New Guinea and Southeast Asia.

Canberra has set aside 16 million Australian dollars in 1987-1988 to supply patrol boats, training and other forms of security assistance to countries in the South Pacific. Military aid to Papua New Guioca this financial year is worth 23 million Australian dollars, while military cooperation with non-Communist countries in Southeast Asia will absorb 18 million Australian dollars.

Mr. Beazley said that self-reliance "requires. rather than precludes, active defense relations with our neighbors."

Australia has military cooperation agreements with Papua New Guinea, Malaysia and Singapore, but it will no longer station fighter aircraft in Malaysia and Singapore under this arrangement. The last Australian Mirage fighters were withdrawn from Malaysia a few weeks

However, redeployment of forces to the west and north of Australia, Mr. Beazley explained, made it easier for Australian ships and aircraft to rotate through Singapore and Malaysia regularly for joint exercises and patrol work in

Perth, be pointed out, was about 1,000 miles closer to Southeast Asia than Sydney, while Tindal was as close to Singapore as it was to Canberra. He noted that the F/A-18 had a longer range and was easier to maintain than a Mirage. It could fly from Australia to Southeast Asia in four hours and remain there without elaborate support for a significant time.

Australia's failure to develop closer ties with Indooesia in the security field is a source of frustration for officials in Canberra. However. the root of this problem. Indonesia's military takeover of East Timor in 1975 and Australia's opposition to it, predates the election of the Labor government in 1983.

Air Marshal David Evans, who was chief of air staff until he retired in 1985, recently described the present system of coastal surveillance in northern Australia as "almost entirely

useless" against iotrusion. The system is operated by civil aircraft under contract to the Defense Department

Mr. Beazley admitted that there was a problem but said regular defense resources should not be wasted in trying to solve it. An effective over-the-horizon radar network would provide the best solution, be argued.

Mr. White said the hemorrhage of servicemen, particularly officers, was part of a morale crisis in the armed forces. A parliamentary committee is holding an inquiry into the causes of the resignations.

The resignation rate among male officers has risen from 5.4 percent in 1982-1983 to a projected 12.5 percent this financial year. Officials said higher salaries and better career opportunities offered by the private sector, particularly to pilots, engineers and skilled tradesmen, were major cause of the attrition.

Two other things threaten to slow down and undermine the government's modernization

program, critics say.

One is the possibility of further cuts io military expenditure. Another is labor unrest in the shipyards that build Australia's new submarines and light frigates.

Strikes and other action by some unions in the yards, critics say, east further doubts on the cost-effectiveness of trying to achieve a greater degree of self-sufficiency in defense produc-

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# Tough Fiscal Measures Halt Drift Toward 'Banana Republic' Status

By Maximilian Walsh

YDNEY - Two years ago, Treasurer Paul Keating shocked his countrymen when he warned that Australia was headed toward "banana republic" sta-

His remarks contrasted with the tone of optimism and self-congratulation that bad un-til then characterized his observations about

the economy.

But there was no doubting their accuracy.

Australia had a current account deficit of about 6 percent of its gross domestic product. Its currency was depreciating rapidly, as infla-tion was running at 9 percent, and markets for Australia's export commodities were falling.

The country's foreign debt had, during the previous 12 months, jumped from 68.7 billion Australian dollars (\$51.6 billion), or 33 percent of GDP, to 86 billion dollars, or 37 percent of

And the outlook, especially for commodity exports, was bleak Australia's top export earner - coal - faced declining demand in Japan, its biggest market. Its price was roughly tied to oil, the price of which had collapsed, with major new mines coming into operation. The terms of trade had fallen by more than

10 percent over the previous 12 months. Mr. Keating's "banana repoblic" remark further undermined the value of the Australian dollar and triggered a political furor.

More importantly, bowever, it marked a turning point in the government's approach to economic policy formulation. When Bob Hawke's Labor government won office in 1983, it promised to deliver a rapid rate of economic growth without inflation because of its special relationship with the unions. This was codified in a formal accord that indexed wages to inflation.

The consequences of indexing wages and floating the exchange rate, in a nation dependent on commodity exports, were out understood. The policy did deliver higher growth than most countries and reduced unemploy-

The fright the government had in 1986 seems to have had a salutary effect.

But as falling commodity prices drove the exchange rate down, the expansionary fiscal policy and indexed wages sent inflation up to 9 percent when it was going in the reverse direction throughout the world. The balance of payments crisis precipitated by these factors caused the value of the dollar to plummet but brought a new discipline to fiscal policy.

The 1986-1987 budget saw no real increase

in government outlays and the deficit was cut to 1 percent of GDP, down from 2.4 percent

the previous year. The same tough fiscal approach was fol-lowed to 1987-1988, with Australia's first budget surplus for more than 30 years. Even these fiscal measures were subject to criticism in the light of the adverse movement in the terms of trade —a fall of about 15 percent in two years. compared with the long-term average of 1

Most of the burden of adjustment has been borne by the government's own traditional

Real wages have fallen by an average of 1 percent since 1983, with real income after taxes falling by an average of 1.3 percent. Despite this inhospitable economic environment, the government was re-elected for a third term last

The victory owed a great deal to divisions within the ranks of its opponents, and since that election, the fortunes of the Labor Party have been io severe decline,

In March, the 12-year-old Labor government was beaten in a landslide in New South Wales, the country's richest and most populous state. This has prompted recriminations within the government, along with calls for a reversal in economic policy.

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It can be argued that the budgets that fol-lowed the "banana republic" crisis have placed the government in a favorable position to ease back on the fiscal front. Without policy changes, oext year's budget would come in at quite a handsome surplus. More importantly, Australia's terms of trade have taken a turn for the better. In the last 12 months, they have moved upward by about 7 percent.

How permanent the improvement in com-modity prices proves in be is the difficult question. The stock market crash in October aroused fears that the recovery in commodity prices would be aborted. However, as central banks around the world eased monetary policy after the crash, the prices being paid for many commodities actually accelerated.

Australia's oldest staple, wool, has more than doubled in price over the last year, and it is again the nation's top export earner.
Wool has done so well basically because of

the depreciation of the Australian dollar. Over the last four years, the Australia dollar has depreciated by 16 percent against the U.S. dollar, and more than 50 percent against the Japanese yen and the Deutsche mark.

At present prices, wool may be approaching time when it will be replaced by other fibers. However, the popularity of wool in Japan is anderpinning confidence in the short-term

The recent strength of other commodity prices, notably metal prices, is even less securely based than the wool price. Obviously, they are susceptible to any economic downturn in the United States, Japan or Europe. Despite exhortations by the government to diversify the export base. Australia remains primarily an exporter of commodities. This is unlikely to change for a number of reasons.

The volatility of commodity prices is quickly reflected in exchange rate movements. At the same time, Australia's domestic market is too small to support manufacturing output at the

Consequently, any major investment in mainstream manufacturing activity would have to look at export markets. That is where

exchange rate stability is a necessity.

Australia has raised its volume of manufactured exports as the low exchange rate has provided some opportunity for market pene-

Over the longer haul. Anstralia's future as an exporter of manufactured goods will be confined to niche markets. Realizing this, private sector entrepreneurs have been exploring the

service market. There has been a veritable explosion of tourism, especially from Japan, of course, by the

For the time being, Australia has stopped moving down the road to being a banana

Gross foreign debt, at 108 billion dollars, remains far too high. But the current account deficit is being reduced.

The government is currently negotiating a new wage pact with the trade unions, which would see real wages maintained through a combination of inflation-linked increases and income tax cuts.

There are risks in this approach, as the returns from higher commodity prices move into an economy showing signs of excessive consumer demand. The government is aware of the danger, especially if a burst of wage-driven inflation runs into a commodity price downturn. Recently, the government has been tightening short-term interest rates, even though this is putting upward pressure on the

exchange rate.

The fright that the government experienced in 1986 appears to have had a salutary effect.

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In the light of the political climate, the dracoman rhetoric has been replaced with sunnier illusions. But the basic fiscal strategy remains intact. So far, it has been validated by

MAXIMILIAN WALSH is on Australian col

base of the economy and expand

exports so that foreign debt falls and living standards rise. Australia's share of world et-

ports has fallen in the last 30 years while the shares of Japan and the

oewly industrializing nations in the Pacific basin have risen.

Mr. Morgan, of Western Min-

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## New Faces Are Changing Nation's Face

Heavy dependence on commodities that are

Continued from page 7

have been to change the basis of political debate in Australia "from theory and ideology to compe-

ing more maturity, with government, trade union and business leaders talking to each other and operating in concert in key areas. "That's where the changes are coming from," he said,

However, a vital question is whether the pace of reform is fast enough to enable Australia to keep up with a rapidly changing world or too fast for most Australians to

Australia's rates of inflation and wage increases in recent years bave been substantially above those of its main trading partners, while its currency bas failen less than currencies of many of its chief export competitors.

Hugh Morgan, chief executive of Western Mining Corp., said he believed that Australia was not moving with the "sense of urgency" that is required, particularly io reducing the power of big unioos.

However, Bill Kelty, secretary of the Australian Council of Trade Unions, said that unions would stroogly oppose ending Austra-lia's centralized structure for fixing basic wages and working conditions. Unioo leadership, be

in oversupply on world markets is Paul Kesting, the federal treasurer, said that Australia is show part of Australia's economic problem.

> added, supports a more flexible wage-fixing system, taking into account productivity, skills and training as well as the rate of infla-Whether training and education

can keep Australia in the technological revolution that is sweeping Asia and the West is a major con-Minister for Science Barry Jones questioned whether it is too late to "transform Australia from

being the 'Lucky Country,' where our fortunes depend on chance factors and world commodity prices, into the 'Intelligent Country,' where intellectual capacity, research, design, entrepreneurship on are valued much as muscle power and other forms of sporting provess."
In the 1950s, he said, Australia

was "incomparably the best-edu-cated nation" io the western Pacific. Japan was far behind.

"Now, 40 percent of Japanese labor force entrants have tertiary qualifications. six times higher than Australia, and Japanese process workers often have degrees,"

Senator John Button, minister for industry, technology and commerce, said Australians needed to get used to comparing their eco-nomic performance with that of other countries.

"Otherwise, we'll be left be-hind," he said. "We will become a poor, white country in the South

Nevertheless, sharp swings against the Labor Party in recent elections indicate a growing resistance to reforms that involve a continued fall in living standards or an increase in taxes.

fessor of history at the Australian National University in Canberra, said that the "truth of the matter is, a society of irumigrants and their descendants, a society in which the working classes have embraced the petty bourgeois values of house and land ownership, and in which there is a huge affluent middle class, is strongly bound

Heavy dependence on commod-ities that are in oversupply on world markets is part of the pribto the defense of the existing social

Following recent electoral set-backs, Mr. Hawke sought to assure voters that the worst of Australia's economic troubles were over, but analysts doubt the government will deviate from its central policy of restraining public spending and cutting the payments deficit.

Failure on either front would ead to a further collapse in the value of the Australian dollar, rising inflation and interest rates, and failing living standards. This, the analysts argue, would be a recipe for electoral disaster in the next federal elections due in mid-

They note that the two main opposition parties are committed to policies in key areas that are more radical than those of the Labor Party. The conservative coalition says it would go much further than the Hawke government in reducing the size and role of government, deregulating the labor market and promoting private sector economic activity. Partly because of a more sciec-

tive approach to providing government services, and partly because of mass migration, Australia has become a more mobile, less secure society.
Shirley McPherson, chairman

of the Aboriginal Development Commission, describes Australia as "bedonistic and above all else Mr. Fraser contends that over

the past five years, marked dispar-ities in wealth have appeared in Australia that did not exist before. In addition, there has been some public opposition to the rap-id increase in the number of Asian immigrants and Vietnamese refu-

gees entering Australia.

Asians make up less than 2.7 percent of Australia's population. Even in suburbs where Asians are concentrated, they form oo more than 6 percent of the local commu-There is some racism and big-

otry in Australia, as there is in other countries," Mr. Fitzgerald said. "But it is contained, and that is a great cause for optimism for the future of Australia."

The fundamental challenge facing the country, in the view of many analysts, remains an eco-nomic one: how to work more efficiently, exploit the country's comparative advantage, diversify the

ing Corp., pointed out that Australian minerals sold oversea. such as zinc, alumina, nickel and copper, are counted officially as manufactured exports. If added to exports of primary products, about 90 percent of Australia's overseas sales measured by value

are shown to be subject to some A recent study by the federal Economic Planning Advisory, Council noted that Australia could improve its economic position by processing more commodities before export. However, the study found that there were a series of impediments to profitable. processing in Australia, including inefficient transport and especial

ly coastal shipping.
Bill Hayden, immister for foreign affairs and trade, fold the Business Council of Australia last month that the government would continue to encourage commodity exports, but that overseas sites must be shifted "toward the fastgrowing areas of world trade such

as manufactures and services." There are some signs that this is starting to happen.
Peter Crawford, managing di-

rector of AWA Ltd., one of Austraha's largest manufacturers of igh technology products, said; "Many senior managers in Australia are thinking and talking most about selling their products in the international marketplace and about acquiring overseas assets that hasten that process. The old cor porate culture that focused primarily on our small domestic star-

ket is changing."

The proportion of Australia's export receipts from manufacturing and tourism increased from 20 percent in 1985 to 26 percent in 1987. Last year, exports of manufactured goods rose by about 23 percent while exports of services expanded by about 18 percent. ...

Despite the problems facing. Australia, Mr. Hawke is optimistic about the future. Asked what he envisioned for Australia by the turn of the century if present counomic, social and immigration policies continued, the prime autister replied: "We will be more competitive and more productive. We will pay our way in the world."

MICHAEL RICHARDSON is the International Herald Tribune editor for Asia.

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d) Minimum age of 18 years.

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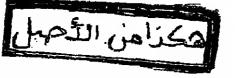
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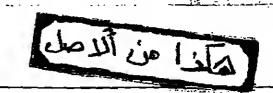
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Sheep farmers in Tasmania. This year Australia will again export more raw wool than any other product.

## Success Can Be Double-Edged

By Rod Metcalfe

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YDNEY - The luck of the so-called "hicky country" has been its vast pri-mary wealth, both agricultural and

" However, the 1980s have seen the luck run out. Drought and depressed commodity prices for both farm and mining produce due to world recession have caused a sharp drop in Australia's terms of trade. The value of the dollar has slumped and the economy has had to undergo massive restructuring.

That lack still seems to be running low despite a recent recovery in commodity prices.
The danger is that the return to health by the primary sector will soften the need for further restructuring and leave Australia with similar problems as before. Senator John Button, the minister for indus-

pry, technology and commerce, said recently that the primary sector of the Australian economy has in the past performed too well. The wealth of minerals and primary prod-

now judge unsustainable, being too dependent on those primary products. The manufacturing and service sectors have lagged.

Agricultural exports, principally wheat, awool and meat, still account for more than 40

bpercent of the nation's export income. Some would say it is fitting that this year, when the country is celebrating its 200th birthday, Aus-Aralia should once again export more raw wool than any other product.

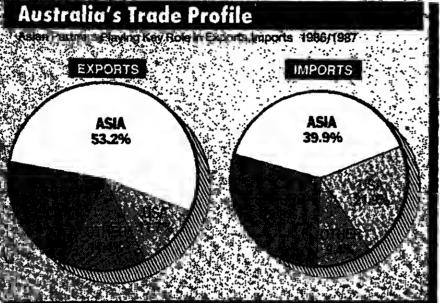
More than 5.5 billion Australian dollars

-(34.13 billion) of unprocessed wool will have been shipped around the world during the year leading in June, far outstripping coal, iron ore and wheat

Li After suffering a bearing for the past five tyears since the drought in 1981 and 1982, the · agricultural economy is now undergoing boom nimes. This year, the gross value of rural pro--duction is growing at 13 percent, with a further growth rate of 10 percent forecast for 1988-

The total value of farm production in that year will top 20 billion Australian dollars for the first time —more than double the production in the early 1980s. More than 70 percent of tethat total will be exported with wool and meat, b'principally beef, setting the pace.

But wool, because it is a high-cost and high-rashion consumer item, is subject to both con-'sumer whims and the consumer's spending



power, and beef depends on only two major markets — the United States and Japan. Wheat, once the nation's principal farm ex-port, remains at the mercy of subsidized competition in terms of price and a lack of confidence in terms of production. Australian farmers have a reluctance to grow wheat at the moment because of low world prices and because of high returns from livestock.

Drought in 1981 cut the Australian wheat crop to less than 8 million tons, and low world prices in 1987 have held it below 12 million, although in good years production can top more than 22 million tons.

In the mineral and mining sectors, the long-awaited recovery still depends on the Japanese economy to absorb the blows of a high yen and again consume large amounts of Australian coal and iron ore at profitable prices.

Gold, another major mineral export in re-cent years, has been boosted by the low value of the dollar, which has made local production highly profitable at current world prices. But gold, like most other primary products, will be hit hard if the Australian dollar begins to gain ground in the long term.

The tough times of the Australian economy, the low value of the dollar and the financial problems in the primary sector have had bene-

Horticultural exports to Europe, Asia and the United States are booming. Australian wine sales have tripled in volume in the past five years and increased in value by a factor of four. Cherries, avocados, carrots, leeks, macadamia nuts and many other traditional small products, including flowers and sealoods, are now being exported around the world.

But not without problems. The growth of Australian wine exports and the acceptance of the product in many European markets has triggered a fight with French producers over labeling. Japan imposes strong quarantine measures against Australian cherries, which producers consider to be a nontarill barrier.

Protectionism has therefore developed as the major problem for Australian agriculture. Farmers and miners are now calling for a

reduction of protection and are urging support for the government in lighting protection in market countries.

ROD METCALFE is a journalist who writes on

## Political Turmoil in South Pacific Poses a Challenge to Canberra

By Denis Warner

ELBOURNE - The two military coups that felled the elected government in Fiji. New Zea-land's defection from the AN-ZUS treaty, the Soviet Union's determination to play a much greater role in the South Pacific and what are perceived to be protectionist trends in the United States and Japan have posed serious problems for Australia and the

Conduct of its foreign policy.

Although the major political parties have never succeeded in reaching a consensus, there is little disagreement about the broad parame-

ters of that policy.

Despite pressure from the left and the antinuclear lobby. Australia will remain aligned with the United States. The problem is how to cope with a regional scene that has been chang-ing with startling abrupmess.

Fiji is a case in point. Some members of the Australian Labor Party had close links with Prime Minister Timoci Bavadra's government in Suva, which was overthrown last year. This led to what is now seen as an over-reaction to the two couns there.

The initial, thinly veiled threat of intervention, even to evacuate Australian residents in Fiji, and Canberra's denunciation of the Fijian military won little support among other micro-states in the South Pacific. Ethnie sympathies were heavily on the side of the indigenous Fijians and not with the expatriate Indians, who were disenfranchised as a result of the

At a time, therefore, when Australian influ-ence to counter Soviet intrusion needs to be stronger in its immediate region, its counsel is no longer listened to in the South Pacific so

attentively as it was in the past. There have been other minuses along with the gains in the conduct of foreign policy.

Postcolonial relations with Papua New Guinea, for years uniquely cordial, were soured when Canberra, without consultation, pared down an agreed economie aid package and subsequently initiated new aid programs for the so-called front-line anti-apartheid states in Africa. These governments are remote from Australia's area of interest and not notably more democratic than Fiji, which was punished by a cut in aid for its misconduct.

Relations with New Zealand, on the other hand, have been handled much more diplomatically and effectively. New Zealand's ban on visits by U.S. nuclear-powered or nucleararmed vessels precipitated the collapse of the tripartite ANZUS treaty with Australia, New Zealand and the United States.

While the United States and Australia have remained in close association, it was left to Australia to maintain the relationship with New Zealand. While making no secret of its disapproval of Wellington's action, the government of Prime Minister Bob Hawke saw no advantage in punishing the New Zealand gov-ernment. The Australians have increased their exercises with New Zealand, and economic relations have become closer than ever.

its Southeast Asian neighbors have tended to drift and, in the case of Indonesia, perhaps

At the end of the Vietnam War, the Labor government of Gough Whitlam sought to es-tablish eloser ties with Hanoi. These tended to weaken during the years of the Liberal-National Party coalition in the late 1970s and early 1980s, but were strengthened again when the Hawke government took office with Bill Hayden as foreign minister.

In the face of ASEAN concern, Australian aid to the Indochina states increased, and Mr. Hayden himself attempted, unsuccessfully, to play a role in resolving the conflict of interest between Vietnam and the ASEAN states (Thailand, Malaysia, Singapore, the Philipand look to their cousins across the border in Papua New Guinea for support.

Both Indonesia and Malaysia, which suffered in the past from Communist insurgent groups that enjoyed tacit Chinese support, remain unconvinced that China may not one day pose a threat to Southeast Asia. These fears have been revived by China's increasing am-phibious capabilities and the clash between Chinese and Vietnamese naval forces in the South China Sea. China, Vietnam, Taiwan, the Philippines, Indonesia and Malaysia all lay elaim to the disputed areas that hold the promise of commercially viable oil fields.

The establishment of close and friendly relations with Beijing has been one of Canberra's foreign policy successes, but just as Australia

#### The problem is how to cope with a regional scene that has been changing with startling abruptness.

pines, Brunei and Indonesia) over the Vietnamese occupation of Cambodia

Relations between Australia and Indonesia also deteriorated sharply following the Indonesian annexation of Portuguese Timor in the mid-1970s and have not fully recovered. Indonesian hans on Australian journalists, Radio Australia's news broadcasts beamed to Indo-nesia, the repeated intrusion of Indonesian fishermen into Australian territorial waters and differences over the demarcation line on the continental shelf with its potentially oil rich sea bed, and more recent Indonesian efforts to play a more active South Pacific role, have all

served to affect the relationship.

Some Australians see Indonesia as a threat, and the Hawke government's decision to strengthen the defenses in northern and northwestern Australia is, in turn, seen in Jakarta, as part of this perception.

If the notion that Indonesia might engage in low-level conflict on Australian territory is scarcely credible, disputed offshore oil drilling at some future time, or armed conflict on the Indonesia-Papua New Guinea border as the result of the activities of the Irian Jaya insurgents opposing Indonesia's rule, could aggra-

vate the sintation.

Australia has a strong moral commitment to Papna New Guinea, whose worries about its Indonesian neighbor have not been wholly removed by the conclusion of a treaty of

friendship.

To relieve the pressure of overpopulation on the islands of Java and Madura, Indonesia is committed to a policy of transmigration that has among its goals the shifting of millions of people to sparsely populated Irian Jaya, for-merly West New Guinea, whose Melanesian inhabitants do not take kindly to the intrusion

worried about a Jakarta-Beijing axis in former President Sukarno's era of living dangerously, Indonesia and Malaysia will be concerned it

the relationship deepens.

The possibility of Japan's significant rearmament is also a matter of ASEAN concern. John Howard, the Liberal Party leader, spoke incautiously in Tokyo recently and with scant regard for Southeast Asian sensitivities, when he suggested that Japan should take on a more active regional military role.

Balancing the often conflicting interests and concerns of Australia's neighbors while pursuing policies that are in the common weal calls for a diplomatie tightrope aet of some dexter-

While the merger of the elitist Department of Foreign Affairs with the more down-toearth functions of the Department of Trade reflects an awareness of the need to expand Australia's markets, it has also disenchanted the diplomatic corps, which does not necessar-ily regard the cash register as the only appropriate measure of the national interest.

The immediate challenge comes from the South Pacific, where the Soviet Union is actively pursuing the policy laid down by Mikhail S. Gorbachev in his Vladivostok address in July 1986, and Libyan mischief-makers are at work. If there is still some healthy skepticism about Soviet motives and intentions among the ministates, the offers of fisheries deals, economie aid, student training in Moscow and sporting and cultural exchanges are hard to resist. The challenge already exists: Australia's foreign policy response is not yet adequate.

DENIS WARNER is the editor of Pacific Defence Reporter, a monthly magazine on regional

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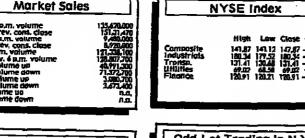
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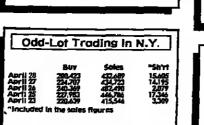
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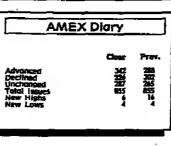






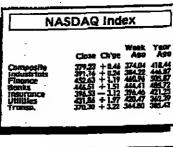


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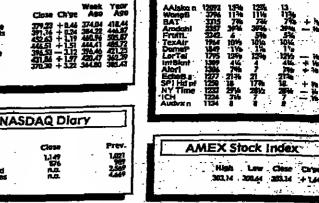
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## **NYSE Mixed in Slow Trading**

United Press International
NEW YORK — Prices on the New York

NEW YORK — Prices on the New York Stock Exchange closed narrowly mixed Friday in slow trading as the market's lethargy went unchallenged by investors.

The Dow Jones industrial average fell 8.95 to close at 2,032.33, after having lost 6.63 points on Thursday. For the week, the Dow added 17.24 points.

Some late buying allowed advances to edge declines by a narrow margin. Volume was 135.62 million shares, an increase from 128.68 million traded Thursday, the slowest session so

million traded Thursday, the slowest session so far this year.

The market received two pieces of economic

news before it opened.
The Commerce Department said the government's main gauge of future economic activity

— the index of leading economic indicators rose 0.8 percent in March. The increase was in

line with market expectations.

And just as trading began, the market learned that Riggs National Bank of Washington had raised its prime lending rate to 8.75 percent from 8.5 percent. The market's negative reaction to the move by Riggs appeared to be tempered by the fact that no other major bank immediately followed the move.

Although Riggs is not an influential major bank, it led the last round of prime rate in-

"The leading indicators came in as expected and there was no reason for the market to move in either direction on that report," said Chester

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& Co. in Los Angeles.
"Had the number been substantially larger which would appear on the surface to be good news, it could have weakened bonds and that would have transferred to stocks," he said. "The one thing the market does not want to contend with now is evidence that inflation is heating

On the prime rate increase, Mr. Pado said Wall Street had been looking for a greater move, so the isolated move by Riggs "did not

come as a great shock."

He said the market was vulnerable to a pull-back because of its recent advance, which pushed the Dow up about 63 points before Thursday's decline.

"The market is pulling back but is doing so without a whole lot of weakness." Mr. Pado said. Those on the sidelines "are loaded with cash, and with the market coming down, there is no reason to panic and sell. In fact, those with the cash are looking for various price levels to

the cash are looking for various price levels to do some buying."

Public Service Co. of New Mexico was the most active NYSE issue, unchanged at 16%. Union Carbide followed, down 4 to 23%. AT&T was third, up 4 to 26%.

Among the blue chips, General Electric was up 4 to 40%. Woolworth was down 4 to 56%. Eastman Kodak was up 4 to 40%, Procter & Gamble was down 1% to 77%. American Express was ahead 4 to 24, and Merck was off 4 to 157%.

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#### ECONOMIC SCENE

### U.S. Economy Expanding Faster Than Anticipated

By LEONARD SILK

New York Times Service

EW YORK — The U.S. economy is growing faster than most economists anticipated after the stock market crash of Oct. 19 and the rising inventories of the fourth quarter. Adjusted for inflation, gross national

fourth quarter. Adjusted for inflation, gross national product—the total ontput of goods and services—grew at an annual rate of 2.3 percent in the January-March quarter.

But, corrected for changes in inventories and government purchases of farm products, inflation-adjusted final sales climbed at the strong rate of 4.3 percent in the first quarter, after declining by 0.1 percent in the final quarter of 1987.

But was that rate of growth too strong for the economy's stability? One worry is that with chemicals, paper and some manufacturing industries close to their capacity limits, continuing rapid growth in demand will generate inflation.

it keeps pressure

on the trade balance

The new government data give little support to the fear that inflation is breaking

and the dollar. loose. The fixed-weight price index used to correct GNP for inflation rose at a 3.7 percent annual rate, just 0.1 percent higher than in the preceding quarter.

And the Labor Department reported that employment costs

rose 1.5 percent in the first quarter, up from 0.7 percent in the fourth quarter but not enough to put significant pressure on employers to raise prices. However, there is cause for worry about the trade deficit and the dollar. The rate of economic growth so far this year has been strong enough to keep the trade balance from showing much improvement. And that raises anxieties about the dollar and the

upward pressure on interest rates. Whether the Federal Reserve pushes up interest rates or not, they seem likely to rise. That likelihood continues to dog the financial markets. Some American economists, including Martin Feldstein of Harvard, who has become an adviser to Vice President George Bush in his election campaign, favor letting the dollar find its market level, even if that requires a considerable

Baker 3d and the Federal Reserve's chairman, Alan Green-span, fear that a further fall in the dellar month. span, fear that a further fall in the dollar would worsen inflationary expectations, raise interest rates and send the bond and stock markets into another tailspin.

further drop to get rid of the trade deficit.

To sustain the dollar, the United States has grown beavily dependent on capital inflows from abroad. The Federal Reserve's flow-of-funds data show that during 1987 there was a record \$184.3 billion increase in foreign holdings of United States

More importantly, as James J. O'Leary, economic consultant to United States Trust Co. notes, there was a pronounced change in the pattern of foreign investment in this country last year. This consisted of a sharp drop in the volume of private foreign funds invested in fixed-income U.S. government and corporate obligations and a strong increase in the net purchases of corporate equities and in direct ownership of real property here. That shift threatens to drive up long-term interest rates.

A growing number of American economists now believe that a "muddling through" scenario is the best bet, with the U.S. budget and trade deficits gradually coming down and foreign private investors and foreign central banks continuing to sustain American growth. But almost no one regards that as a trouble-free or risk-free scenario, having witnessed the panic of October 1987.

The financial markets seem bound to remain anxious until measures are taken to restore equilibrium to the U.S. budget and trade positions and stability to the dollar. Such action will have to wait at least until after the November election.

#### **Currency Rates**

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#### **Interest Rates**

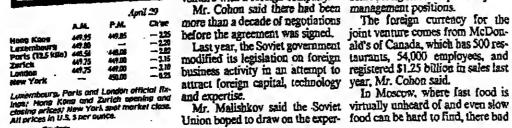
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## Holmes à Court **Bows Out**

#### **Battered** Raider Sells Cornerstone

Compiled by Our Staff From Dispatches PERTH, Australia — Robert Holmes à Court, once Australia's most feared corporate raider, bas sold control of his flagship company in a move that appears to signal his virtual departure from the fi-

nancial scene, the company's buy-ers and analysts said Friday. Mr. Holmes à Court, who over the past decade bad bought stakes in companies ranging from Texaco Inc. to Standard Chartered PLC to the Australian giant Broken Hill Pty., could not recover from last October's financial debacle that left him with diminished assets and considerable debt.

On Friday, Bond Corp. Holdings Ltd., headed by the entrepreneur Alan Bond, and the Western Australian State Government Insurance Commission said they had bought 39.8 percent of Mr. Holmes a Court's Bell Group Ltd., taking 19.9 percent each. The total pur-chase price was about 320 million Australian dollars (\$242 million). Mr. Holmes à Court, who had

controlled the resources, media and investment group with a 43 percent stake, will retain 3.2 percent through his family company

Heytesbury Securities Pty.

The executive director of Bond
Corp., Peter Mitchell, said Mr.
Holmes à Court "has taken what was undoubtedly for him a difficult decision to sell the majority of his interests in Bell Group, which he

Mr. Mitchell said the investor would stay on as chairman and chief executive of Bell. But most analysis said that would be only an interim measure until the company's future was decided.

The South African-born Mr. Holmes à Court was, along with Mr. Bond and the media magnate Kerry Packer, one of the dominant figures on the Australian financial scene. He was best known for his four tilts at Broken Hill, during which he accumulated 30 percent of the company, Australia's largest. Before the stock market collapse, the 50-year-old investor had been

named Australia's richest man. An Australian magazine estimated his net worth at 1.4 billion dollars. Since then, he had sold about 4

billion dollars worth of assets to lighten the load on Bell Group and its 46 percent owned associate, Bell Resources Ltd.

In January, he gave up on his long struggle for control of Broken Hill and sold two-thirds of his stake back to that company for 2.1 bil-

up with an elaborate plan to merge Bell Resources and Bell Group and

## Tall Stories About a New Building Hong Kong's Skyscraper Bank Is a Magnet for Rumors

HONG KONG — Remarkable even for gossip-prone Hong Kong, the stories being told about the Bank of China's new building have grown as tall as the structure itself.

In the space of a few days earlier this month, four specific rumors about the brainchild of the Chinese-American architect, I.M. Pei, surfaced and were passed on among business col-leagues and retold at cocktail

If the gossip was to be be-lieved, Bening's pride and joy, which will be one of the world's tallest buildings, was (t) Going to fall down because the foundations were unsound or (2) In serious trouble because of problems with cross-braces or (3) Going to lose several floors off its projected 70-story height or (4) In dire trouble because the expected date for opening the lower floors

Aug. 8—is evidently going to be missed. Eight is considered a lucky number because in the Cantonese spoken in Hong Kong it sounds like the word for pros

Engineers working on the 1.1 billion Hong Kong dollar (\$141 million) building wearily dismiss the rumors. Still. David Suff,

The discovery of unsettled soil on the 6,700-square-meter (8,000-square-yard) site on the edge of Hong Kong's central business district meant more digging to add an extra rix meters (19 feet) depth to the founda-

Mr. Suff said he expected construction to be completed by mid-April, 1989, five months later than the initial target date.

The building for the Bank of China, the foreign operations arm of China's central bank, is a soaring reminder of the changes to come when Beijing resumes



sovereignty over the British colony in 1997.

For years the joke was that Hong Kong was run by the Hongkong & Shanghai Bank, the Royal Hong Kong Jockey Club, and the government, in that or-

Although Hongkong & Shang-hai Banking Corp., known sim-ply as The Bank, may still have the edge when it comes to flexing financial muscle, it ton is living in the shadow of the Bank of China - literally.

The Hongkong Bank's own new futuristic headquarters, a grey-painted 52-level structure keep the construction going.

with the plumbing on the out-side, is only a few dozen yards away but is already starting to look dwarfed in comparison.

The Bank of China huilding's rusty latticework of steel girders. partially covered in glass and concrete, bas already become

Hong Kong's tallest structure.

The work goes on day and might, Residents have become used to the ghostly glow of welding torches filtering through the evening fog.
Mr. Suff said that because of a

shortage of building workers. higher wages had to be paid to the work force of nearly 800 to

## **Pound Rises** As U.K. Trade **Gap Narrows**

dise trade deficit shrank in March £9 billion total deficit for 1988." by more than a third from a month earlier. The news sent the pound higher on currency markets.

Britain's merchandise trade deficit, which tallies imports and ex-ports of goods, narrowed to £854 million (\$1.6 billion) in March after a gap of £1.32 billion in February. The March deficit was much wider. however, than the trade deficit in March 1987, which stood at £374

Private economists had predicted a merchandise trade deficit of £1,1 billion for March 1988.

The current account deficit, which besides merchandise ineludes services and transfer payments, shrank to £254 million in March from £720 million in February. In March last year Britain posted a current account surplus of £296 million.

The trade surplus for nonmer-chandise items in March was un-changed from February at £600

The overall improvement in the trade picture drove the pound up against other major currencies. Sterling climbed against the dollar by more than a cent to a high of \$1.8870 before easing to \$1.8793 at the close in London. Against the creatically steep. Deutsche mark, the pound rose by two pfennigs to 3.1530 DM but later retreated to 3.1472 DM.

The stock market's response was dex dipped slightly to close at 1,802.20, from 1,804.40 on Thurs-

Compiled by Our Staff From Dispatches

LONDON — Britain ansaying. Now we can stop having
nounced Friday that its merchannightmares about an £8 billion or

A large deficit worries investors who fear that heavy spending on imports will set off a new round of inflation. Dealers in currencies and stocks

were shocked earlier this year when Britain reported a record £844 mil-lion current account deficit for Jan-

The current account deficit was £1.68 billion for 1987, and the British government has forecast a 1988 deficit of £4 billion.

But after the latest figures were released. Britain's Treasury urged caution in assessing the results. One senior official said: "We need more data before we know with certainty what is going on regarding trade." He admitted that trade figures

released so far this year may indicate a slowdown in the British economy's rate of growth.

The Department of Trade and Industry said the value of imported goods in March month fell to £7.3 billion from £7.5 billion in February while exports rose in £6.4 billion from £6.2 billion.

But a Treasury official said the fall in imports last month relative to those in February may prove

The Treasury expects a slow-down in the growth of imports this year compared with that in 1987. But worries remain that the rerestrained. The FTSE 100-share in-cent strength of the pound will slow growth of British exports, pricing them off foreign markets.

Chancellor of the Exchequer Ni-Share dealers said the market re-action showed a belief that the March figure represented an iron-ing out of distortions caused by a mestic interest rates, Mr. Lawson change in customs regulations that said this week that he did not want had widened the deficit in previous to see a further rise in the value of

#### OPEC Bogs Down in Rift Over Proposed Cuts in Exports Most other delegations said it was too

Compiled by Our Staff From Dispatches VIENNA - OPEC leaders struggled Friday to overcome deep divisions over pro-posed cuts in oil exports intended to bolster

a faction led by Iran.

producers.

Saudi Arabia and Kuwait emerged as the

Mr. Holmes à Court then came

reconstruct his corporate base, but See HOLMES, Page 15

cents on Thursday.

historical standoff within OPEC between an alliance of conservative Gulf Arab states and a faction led by Jone The 13 oil ministers of the Organization of

ing toward the close and ending largely unchanged, analysts said. June contracts for

conjunction with a group of independent oil

The non-OPEC group, comprised of Mexico, China, Malaysia, Angola, Egypt and
The aim is to raise prices to OPEC's target

The non-OPEC group, comprised of Mexico, China, Malaysia, Angola, Egypt and
ico, China, Malaysia, Open and open conjunction with a group of independent oil

of \$18 a barrel, from the current range of \$14 to \$16, by tightening supplies.

Nervous traders sent oil prices lower on European markets, where Brent crude oil from the North Sea tumbled 66 cents, to \$16.54 a 42-gallon barrel, after having lost 30 cents on Thursday.

Exports by 5 percent if OPEC did likewise. The cuts would be for May and Jume only.

OPEC leaders initially welcomed the offer, which marked the first such proposal from a group of outside oil producers since OPEC was founded in 1960. Some called it a histor-tents on Thursday. ic first step toward creating a global oil

cuss the proposal, however, sharp differences tries met Friday afternoon to try to resolve emerged, officials said after an initial session the issue before the Friday night ministerial

that ended early Friday. Petroleum Exporting Countries were meet West Texas Intermediate, the benchmark ing Friday night to debate the proposal. U.S. crude, settled at \$17.95 per barrel, down which calls for oil export cuts by OPEC in 3 cents from Thursday. Fernando Santos Alvite, oil minister of

The early discussions focused on whether supplies were far enough out of balance with demand to require a cut, Mr. Santos said.

early to say whether an agreement could be

achieved this week.

In an attempt to resolve this question, a When the cartel leaders sat down to dis-

session. The experts group failed to reach a unified

## Life Without Cassoni: AT&T Faces Adjustment



Vittorio Cassoni's resignation from AT&T creates a problem for management in pursuing the effective computer strategy he

NEW YORK — Vittorio Cassoni's abrupt resignation this week as chief of American Telephone & Telegraph Co.'s computer group has cast uncertainty over the unit just when it was beginning to win the respect of customers and competitors, analysts say. They said Mr. Cassoni's decision to return

to Olivetti SpA of Italy after just 18 months with AT&T raised serious questions about the company's relationship with its Italian partner, in which AT&T holds a 22 percent His departure also presents AT&T's top

management, already shaken by the unex-pected death this month of the chairman, James E. Olson, with the task of proving it can execute the strategy laid out by Mr.

That challenge falls in the lap of Robert M. Kavner, previously the company's chief financial officer, who is Mr. Cassom's succes-

Although he is a highly respected executive, Mr. Kavner's lack of technical expertise has some analysts wondering whether he has the vision to turn AT&T into a top-flight

computer company.
"Cassoni was a real visionary." said Tim Bajarin of Market Researchers Creative Strategies International. "He will be sorely

Despite these problems, however, Mr. Ba-jarin and others say they think AT&T's turn-around in the computer business will not be derailed by the loss of Mr. Cassoni.

"It's unfortunate, but not catastrophic," said Jack Grubman, a PaineWebber analyst. Mr. Cassoni, 45, took the belm of AT&T's computer group in 1986, on loan from Olivetti, which had teamed up with the New York-based telecommunications giant three years earlier. He inherited an organization in

In its rush to break into the computer business, from which it had been barred until

its 1984 breakup, AT&T failed to assemble the products and marketing muscle it needed in compete with International Business Machines Corp. and others.

More important, it lacked a coherent strategy. By the time Mr. Cassoni arrived, losses were approaching \$1 billion a year.

Mr. Cassoni moved quickly. He slashed costs and went on the road preaching a new approach based on AT&T's traditional strength in communications and its major contribution to computers to date, the Unix operating system.

He also formed key alliances, especially with Sun Microsystems Inc., to bolster AT&T where it lacked native talent. And he gave people at AT&T — from top management to the research and sales teams — and customers a sense of where the computer group was

"He was somebody that they could believe See CASSONI, Page 15



Carlo de Benedetti, Olivetti SpA's chairman, is said to have recalled Mr. Cassoni in retaliation for AT&T's refusal to increase its stake in Olivetti.

## 20 McDonald's to Open in Moscow

worldwide hamburger chain, an-nounced on Friday plans to open The first So about 20 restaurants in Moscow. with the first scheduled to be in on the center of Moscow, is expect-sult of the economic reforms intro-operation late next year.

"I think that the McDonald's in 1989. Moscow will be the highest-volume George A. Cohon, president of Mc-Donald's Restaurants of Canada \$3. Ltd., a subsidiary of McDonald's Corp. of Oak Brook, Illinois. Mr. Cobon and Vladimir I. Ma- eigners paying in foreign currenlishkov, chief of the food service cies.

administration of the Moscow City hall at a ceremony attended by re- cow to process french fries, meat, The agreement, which gives Mo- taurants. Donald's of Canada a 49 percent

Mr. Cohon said there had been management positions. more than a decade of negotiations The foreign currency for the

The first Soviet MeDonald's, a cales, cooperatives and a few shish-650-seat location on Gorky Street kebab stands bave opened as a re-

Soviet citizens will be able to buy McDonald's in the world," said a Big Mac, the chain's trademark Eastern Europe on March 24, when George A. Cohon, president of McDonald's in opened a restaurant in Belgrade.

Mr. Cobon said a 100,000- the ribbon to the 250-seat restau-Council, signed a joint-venture square-foot (9,000-square-meter) rank agreement Friday at Moscow's city commissary would be built in Mos-

planned that would cater to for- Hungary's first.

buns, sauces and pies for the res-Mr. Cohon said most of the joint share in the Soviet-controlled firm, venture's employees would be Soviis the latest Soviet joint business et citizens but that there would be venture with a foreign company. some foreigners in supervisory and

before the agreement was signed. joint venture comes from McDon-Last year, the Soviet government ald's of Canada, which has 500 resmodified its legislation on foreign taurants, 54,000 employees, and business activity in an attempt to registered \$1.25 billion in sales last attract foreign capital, technology year, Mr. Cohon said.

Mr. Malishkov said the Soviet virtually unheard of and even slow

In Moscow, where last food is

Compiled by Our Staff From Disposches tise of the fast-food chain to imbeen rumors for months that Mc MOSCOW — McDonald's, the prove service in their country's Donald's would open a branch. In the past two years, numerou

> S. Gorbachev. McDonald's first branched into And on Friday, Deputy Prime Another Moscow location is Minister Jozsel Marjai opened

"Unusual, but good," he said af-ter sampling a Big Mac and cutting

Indigo Take-off Technology stocks still at bargain prices will seen be litting because of simple supply short-oges on more companies executing vost new markets see their own shares as the best investment they can make with mountaing cosh meaning. White, phone, fox or tellers for companiers or yequality, phone, fox or tellers for companiers yequality, phone, fox or tellers for companiers or yequality, and CSA, will dimb as the travel auditors momentum.

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#### Losses Grow at Pan Am And NWA, as Delta and Allegis Report Profits Compiled by Our Staff From Dispatches

NEW YORK — Pan Am Corp. reported on Friday a cet loss for the first quarter of \$83.3 million, a slight improvement from a \$93.6

million, a sugni improvement from a \$93.6 million loss in the year-earlier period.

Pan Am's main subsidiary, Pan American World Airways, had an operating loss of \$62 million in the quarter after a \$51 million loss a year ago, Pan Am said. Higher expenses were blamed for the increased loss.

The parent company had a narrower first quarter oet loss because of improved performance at two other subsidiaries and a small.

mance at two other subsidiaries and a small foreign exchange gain in the quarter compared with a loss of \$15.8 million a year ago.

The two units that performed better, the Northeast Shuttle and Pan Am World Services,

The series of th

to \$900.8 million in the quarter from \$763.1 Foreign Mining Firms million but operating expenses rose 17.1 per-

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NYSE Highs-Lons

#### Seoul's Trade Surplus At Record \$1.19 Billion

SEOUL - South Korea's current account surplus, boosted by strong exports, grew to a record \$1.19 billion in March, according to

provisional figures released Friday by the Bank of Korea.

The latest figure shows a substantial increase from a surplus of \$970 million in Fehruary and \$884 million in March 1987. The current account measures trade in goods and services as well as interest, dividends and certain transfers. The previous monthly record was \$1.12 billion in September.

The current account surplus in the first three months rose to \$2.95 billion from \$2.12 hillion from the first quarter of 1987, the central bank

would decline in coming months because of further import liberalizations by the government. South Korea has been under pressure from Western industrial nations. ment. South Korea has been under pressure from Western industrial nations, particularly the United States, to reduce its trade surplus.

The surplus in merchandise trade rose to \$863 million in March from \$632 million a year earlier. Exports increased 32.9 percent in March to \$4.77 billion and imports rose 32.1 percent to \$4.77 billion and imports rose 32.1 percent to \$53.91 billion.

## **Brazil Moves to Limit**

New York Times Service

RIO DE JANEIRO — In a surprise move, a special assembly drafting Brazil's new constitution has ruled that foreign mining companies will be allowed to operate here only as junior partners in ventures controlled by Brazilians.

The decision appropried Threader is grantless in the state of the s

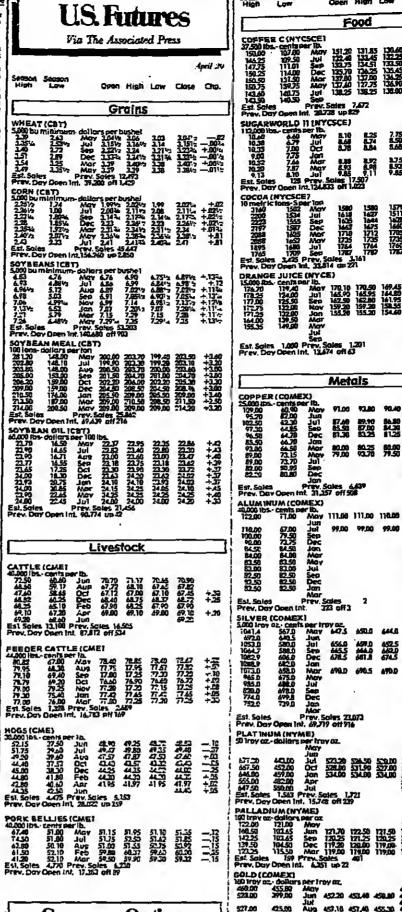
The decision, announced Thursday, is expected to discourage new foreign investment in a area that is rich in resources but short of

a area that is rich in resources but short of capital.

Companies operating through wholly owned mining subsidiaries here would have five years in which to sell a majority of their voting stock to Brazilians. They include British Petroleum, Shell, Alcoa, and Alcan Aluminium Ltd. Companies that are already minority partners here reportedly would out be affected.

According to unofficial estimates, foreign mining companies have spent about \$2 hillioo in Brazil, principally in gold, tin and bauxite. They represent only about 20 percent of total

They represent only about 20 percent of total investment in the sector, one expert said. The largest mining company in Bracil, Com-panhia Valo do Rio Doce, is government-



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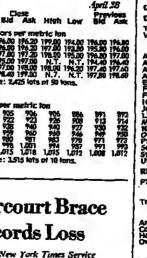
The first-quarter merchandise trade surplus for the first-quarter merchandise for the first-quarter merchandise trade surplus for the first-quarter merchandise for the first-qu Harcourt Brace Records Loss New York Times Service NEW YORK - Burdened by

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the heavy debt it assumed two years ago when it initiated a recapitalization plan to fight off a takeover attempt. Harcourt Brace Jovanovich Inc. has reported a net loss of \$35.5 million for the first quarter, oearly four times its loss of \$9.4 million a year earlier.

Revenue for the quarter rose 7.4 percent, to \$306.7 million, from \$285.7 million a year earlier, Harcourt said Thursday. The company said income for the 12 months end-ed March 31 was \$64.3 million, or 40 cents a share, down from \$68.5 million, or \$1.80 a share, a year earlier. Revenue for the year rose 28 percent, to \$1.54 billion, from \$1.2 hillion a year earlier.

president at Josephthal & Co., said, It appears the company is getting eaten up by its debt burden. It would signal probably further liquidation. The figures show me view there is oo resolution yet. There is



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ENGLISH SECTION

## Suchard Boosts Stake in Rowntree

Compiled by Our Staff From Dispatches LONDON - Jacobs Suchard G, the Swiss chocolate and coffee company, said Friday that it had boosted its stake in the British candy maker Rowntree PLC to 20.79

wants to remain independent, is the

billion) offer from Nestle SA, the giant Swiss foods company, which also has interests in coffee and share in its latest purchases.

Meanwhile, Nestle said Friday it now owns 14.13 million Rowntree characters. chocolate.

Suchard said it bought 4.5 mil-Rowntree, which has said it raising its total holding to 44.75 million shares. Suchard said it paid

#### Lower Taxes, Debt Charges Help Philips Raise Net 6%

AMSTERDAM — The Dutch Electronics group NV Philips said Friday that its net profit for the first quarter had risen to 217 million guilders (\$116 million), 6 per-cent higher than in the first three

months of last year.

But operating profit was hurt by restructuring costs and lower profitability in sales of professional electronics systems, falling 18 percent to 679 million guilders.

Revenue rose 4.6 percent to 12.42 billion guilders.

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12.42 billion guilders. Philips said the first quarter net

#### Corning Glass Will Purchase Revere Ware

The Associated Press CORNING, New York -Corning Glass Works, the leading U.S. maker of cookware, said Friday that it had signed a definitive agreement to purchase Revere Ware Inc., the second-largest manufacturer of range-top cookware. Corning said the acquisition would be made in cash. A spokesman would not com-

ment on a report that the price was \$120 million. Revere Ware, a maker of stainless steel and copper cookware based in Clinton, Illinois, is a subsidiary of pri-vately held Revere Copper & Brass Inc., founded by Paul

Revere in 1801. The acquisition, to be completed by the end of June, would add more than 10 percent to Corning's consumer products sales. The company's consumer products division reported sales of \$547.9 million in 1987. Total company

results were helped by lower fi-nancing charges, lower taxes and higher nonconsolidated profit. Most of this profit came from Phi-

lips's stakes in Grundig AG and Matsushita Electronics Corp. Jan Zantman, vice chairman of Philips, said margins remained under pressure as the company fought to retain market shares in the face of strong Asian competition.

He said Philips was maintaining its forecast made in February for a 1988 net profit in line with last year's 818 million guilders.

He said it would be hard to raise profit for the year because money was being put aside for restructur-ing. largely job reductions, and sales were being hurt by the weak dollar. The Dutch currency stands at 1.88 guilders to the dollar compared to 2.07 guilders a year ago. In detailing its report, Philips

said average interest costs were below last year's first quarter as the guilder's rise made dollar and Swiss franc debt cheaper and pushed fi-nancial costs down by 21 percent. With that savings added to a 26

percent drop in taxes and a 9 million guilder increase in nonconsolidated income, Philips was able to overcome the drop in operating profit, Mr. Zantman said. He said Philips had shown errat-

ic quarterly results before and had proved more accurate in its full-year forecasts. He declined to give a dividend forecast.

Philips put 82 million guilders aside in the first quarter for restructuring, which this year is likely to cost between 300 million guilders and last year's total of 550 million guilders, Mr. Zantman said.

He said Philips was on course for a planned cut in staffing levels of 10,000 to 20,000 worldwide this year, with the statt total land, 3,600 to 333,100 in the first quarter. It has shed 9,500 jobs worldwide in the year that ended in March. er, with the staff total falling by

#### **HOLMES:** Sells Stake in Bell

(Continued from first finance page) of a decade in the spotlight and had to drop the plan when Mr.

Packer and the New Zealand cutre

Another analyst, Rowan Fell of McCanehan Descon said: "I speece

On Friday, Sir Ronald's Indus- and the paintings trial Equity Ltd. said its position

Bond Corp. paid 2.70 dollars a to AT&T fell to about 50,000 PCs was that Mr. Holmes a Court's sale share for the Bell Group shares. last year from 215,000 in 1986. bid for Bell Resources.

"It's the end of an era," said above the 1.68 dollars at which Bell Tony Moody, an analyst who has followed Mr. Holmes a Court's companies for the Melbourne brobe boring without him."

Mr. Holmes à Court was quoted on television as saying he was tired

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Another analyst, Rowan Fell of control. preneur Sir Ronald Brierley McCanghan Dyson, said: I guess The partnership was already under strain. Olivetti is known to be bid for Bell Resources in March.

The partnership was already under strain. Olivetti is known to be unhappy with AT&T's sales of its

of his stake in Bell Group would The Western Australian insurance make no difference to the takeover commission said it paid 2.50 dol-Group shares closed Friday on pointed with Olivetti's sales of its

companies for the Melbourne brokerage A.C. Goode & Co. "It will be borning without him."

An independent report recently Europe. Obvetti further angered AT&T executives when it recently be borning without him."

An independent report recently Europe. Obvetti further angered AT&T executives when it recently began selling a rival minicomputer computer business is too deep-seatlion and 1,12 billion dollars. (Reuters, AFP)

INTERNATIONAL CLASSIFIED

(Continued from Back Page)

sales hurt its profit, which dropped lars a share. Both prices were well 29 percent this year, above the 1.68 dollars at which Bell AT&T, meanwhile, is disap-

Analysts suggest that Mr. Cas- to have an effect, he said.

#### **Aluminum Companies Post Robust Profits** As They Scramble to Meet Strong Demand

By Jonathan P. Hicks

New York Times Service
NEW YORK — The strong first-quarter performance of aluminum companies underscores the recovery of an industry that just a few years ago suffered from weak prices and sluggish profits.

The industry's new vigor comes after five embattled years in which the output of aluminum companies was cut in half and the price of an ingot plunged as low as 42 cents a pound. Customers were abandoning aluminum in favor of other, cheaper materials,

But now, aluminum, like other Rownuree's chairman, Kenneth Dixon, has told Suchard executives metals, has enjoyed a notable comeback. Producers can scarcely that his company felt it would perkeep their scaled-down opera-tions running fast enough. form best if it remained completely independent. He said he would be Heightened demand, low invenwilling to meet with Suchard repre-sentatives but that he saw no purtories and the drop in production capacity have forced aluminum Rowntree traces its history back

mostly plastics.

prices upward.
Aluminum ingol reached the \$1-a-pound mark on the London Metals Exchange months ago. Recent spot prices have been around \$1.05, but many in the industry say \$1.25 will be exceed-

ed before this upward cycle ends. As for the shares of aluminum companies, they have been helped in recent weeks by the announcement of first-quarter results. First-quarter carnings at Aluminum Co. of America nearly quadrupled from the 1987 period. The stock prices of Alcoa, Reynolds Metals Co. and Alcan Aluminum Corp. have risen steadily on strongly higher earnings.

In Europe this week, France's Pechiney SA, a state-controlled aluminum producer, reported a sharp turnaround from loss in 1986 to a 729 million franc (\$128 million) profit in 1987, and Norsk Hydro A/S, which has a big alu-

Despite the comback, some analysts believe industry profit is

now at a peak. We're looking for a lower second half,' said one.

minum business, posted a 79 percent jump in first quarter profit. Moreover, the companies say they do not foresee any significant changes in market conditions for most of the year.

"The outlook for aluminum is a function of the worldwide pic-ture," said C. Fred Federoff, pres-ident of Alcoa. "We see the econ-omy as being in good shape, and as long as it lasts, the situation regarding aluminum producers will remain robust. Ioventories have been going down and, while they seemed to have plateaued. they are still at a low level."

But the enthusiasm of the aluminum executives has not kept Wall Street from debating how long the current market conditions will last. Some analysts sug-gest that the current vigor has led some producers to plan for increased capacity over the long term. They also contend that strong prices encourage Third World producers to build addinonal smelting capacity, which could undermine the market.

A report from Shearson Lehman Huttoo includes projections of a 9 percent increase in output this year, while growth in world-

wide demand drops from its cur-rent 13.1 percent annual rate.

"We think that we're seeing the peak period right now." said Charles Bradford, an analyst with Merrill Lynch. "We believe that the second-quarter results will be better than the first quarter. But after that, we're looking for a low-er second half."

"Many of the companies are forecasting increased produc-tion," Mr. Bradford said. "We expect inventories will pick up by the summer."

Mr. Bradford says that the market for aluminum will grow this year, but not nearly so much as it did last year. The outlook is best, he said; for beverage cans, a noncyclical market. He expressed concern about the construction side of the market, which is dependent on home renovations.

Adding to the sense of caution was a report last month by the International Primary Aluminum Institute showing a sharp rise in the level of world inventories. But Peter Martyn, secretary-general of the London-based institute. said that capacity would indeed be increasing, but only slightly.

"The capacity in the non-Communist countries," Mr. Martyn said, "will increase about 1 percent by the end of the year, from the current capacity of 13.4 mil-lion tons," he said. "It will be fairly stable for the rest of the

Nicolas C. Toufexis, an analyst with Prudential-Bache Securities. said the fundamental supply situ-ation remained tight "with only a 70-day supply level in the hands

He added that recent increases in inventory levels "should dis-



Ingots being cast at a Pechiney smelter. The French company reported this week that it returned to profitability in 1987.

courage producers from restarting marginal capacity."

But sharper increases in production can be expected next year, others said, In France, for example, Pechiney added 90,000 tons of annual capacity at the end of 1986, about the same time as

being built in Brazil will add 230,000 tons. In India, 149,000 tons of capacity were added last year and an expansion this year will double that.

In the United States, production increased 22.2 percent last year, to 3.3 million tens, from 2.7 million tons in 1986, according to Australian producers added the Aluminum Association, a 150,000 tons. Three new smelters trade group based in Washington.

#### CASSONI: AT&T Loses an Asset (Continued from first finance page) soni's departure could hasten a in," said Al Lynd, a former AT&T complete unraveling of the partner-

(AP, Reiders)

have begun to pay off, AT&T's with another PC manufacturer. relationship with his old boss, Car"Olivetti may have alrea

shares, or 6.57 percent. Nestlé said

it bought an additional 5,000

shares on Wednesday at 900.5

Rowntree shares have traded

above Nestle's offer price since

Nestle launched its offer on Tues-

day. Rowntree shares were quoted at

917 pence, up 5 pence, in late trading Friday on the London Stock

Two weeks ago, Suchard bought 14.9 percent of Rowntree for £162 million in a so-called "dawn raid,"

buying millions of shares for 630

pose in holding such talks.

to 1725, when a Quaker matron,

Mary Tuke, set up a grocery con-cern that eventually grew into a

It is not the only British choco-

late company to be attracting for-eign bidders. General Cinema Corp. of Massachusetts recently

said it might seek control of Cad-

Analysts say the American com-

pany, which runs a chain of cine-

mas and is the largest independent bottler of Pepsi-Cola in the United

States, is probably interested main-

ly in Cadbury's beverage business, which includes the Schweppes

Some analysts say that if General Cinema bids to take over Cad-

bury, it may sell off the British

company's chocolates business -

possibly to Suchard, if Nestle suc-

ceeds in buying Rowntree.

bury-Schweppes PLC.

pence a share.

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cocoa business.

lo de Benedetti, appears to be on the rocks, analysts said. The analysts said Mr. de Benedetti, Olivetti's chairman, recalled Mr. Cassoni in retaliation for AT&T's refusal to increase its stake in Olivetti. They said Mr. de Benedetti wanted the cash to finance his
bid — ultimately unsuccessful —
for control of Societé Générale de
take several months for him to hit
his stride.

"It's always hard to step into the
breach of somebody else's pro-

clined to yield more management The partnership was already un- asked him to do." personal computers, its simpmen

Olivetti said the decrease in PC

minicomputers and phone gear in

salesman and editor of The Edge ship, but a falling out may not newsletter, which follows AT&T.

But while Mr. Cassoni's efforts

AT&T could easily replace Olivetti

"Olivetti may have already served its purpose for AT&T," Mr.

Even those analysts who think Mr. Kavner, 44, will be able to fill Mr. Casson's shoes say it might

Belgique. But an otherwise willing gram," said Robert Morris of Pru-AT&T backed down when he do-dential-Bache Securities. "But dential-Bache Securities. "But Kavner is an excellent person. He has delivered what AT&T has

AT&T's customers do not change in leadership.

Spence Goldthwaite, who has bought about 30 of AT&T's 3B2 minicomputers for the Ramada Inns hotel group, said he chose AT&T over IBM and others because of the quality of its marketing and support staffs.

"AT&T's commitment to the ed" for Mr. Cassoni's resignation

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Year 1987 1986  Control 1320 11.63  Fronts 1340 11.63  Franty  Olivetti  Year 1987 1986  Revenue 747 731	198 Guer. 1988 1989 REVISION	In Quer. 1988 1985 Revenue 29:3 20:50 Revenue 29:3	1st Quar. 1988 1987 Ravinue 1,790, 1,690, Oper Nel 75,5 48,2 Oper Shore. 1,21 0.77 Nels exclude charge of \$4,1 million vs pain of \$14.5 mil- lion.	1st Quor. 1982 1987 Revenue 8447 7824 Oper Net 53,8 53,8 Oper Short 6.97 6.90 Nets exclude points of \$1,5 million vs \$25.5 million.	tel Quar. 1988 1983 Revenue 647, 584, 598, 500 1980 Oper Net B3,31 70, 90 Oper Share 1,73 1,44 Netsex Chube gains 411 cents per share vs 30 cents and to creatis of a cents vs 23 cents.
Profits 40,000, 545,600. T: trillion, Noticerlands	2nd Quar. 1988 1987 Revenue 465.9 379.4 Oper Net 18.4 19.4	3rd Quar, 1988 1987 Revenue 1,710, 1,450, Net Inc. 561 764	Int'l Flavors 1st Quar. 1986 1987 Revenue 2239 178.9 Net inc. 35.9 27.5	20d Quor. 1988 1987 Revenue 107.9 114.5 Net Inc. 4.58 1.61 Per Shore 0.16 0.05	Staley Continental  2nd Quar. 1988 1982  Revenue
Philips Greenmenteb. 1920 1927 1928 1927 Ravenus 12/20 11/20/ Profits 217.0 205.0	Oper Share 0.88 0.70 1st staff 1981 1987 Revenue BS2.4 726.1 Door Net 34.6 38.2 Oper Share 1.28 1.37	Months   1982	Net Inc. 35.9 27.5 Per Shorm 0.95 0.73 Full name of company is im- ternational Florium & Fra- grances.	Per Share 0.16 0.05  1st Holf 1988 1987 Revenue 220.2 225.6 Net Inc. 9.37 21.8 Per Share 0.31 0.61	Per Shore
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Denmark	D.Kr.	2,700	33	1,500	25	830	17
Finland	F.M.	1,830	41	1,000	35	550	29
France	F.F.	1,600	37	880	31	480	25
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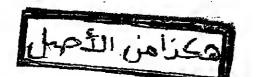
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#### **CURRENCY MARKETS**

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## Dollar Firmer as Bank Lifts Prime

Source : Reuter

NEW YORK - The dollar rose against most currencies Friday on Epeculation over a rise in U.S. interest rates, after a regional U.S. bank raised its prime lending rate to 8.75 percent from 8.50 percent.

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The U.S. currency closed in New York at 1.6775 Deutsche marks, up from 1.6698 DM at Thursday's close, and at 125.15 Japanese yen against 124,525 yen.
The increase in the prime rate by

Riggs National Bank of Washington, D.C., triggered a round of short-covering in the dollar, lifting the U.S. currency, dealers said. The pound also ended higher, boosted by better than expected British trade data for March, deal-

ers said The pound closed at \$1.8760, up from the previous close of \$1.8725. The dollar finished at 1.3965 Swiss francs in New York, up from 1.3850 Thursday, and at 5.700 French francs against 5.6740. With market holidays in Britain and in Japan next week, both the

ed to consolidate at their current levels, dealers said. The dollar has hardly moved over the last week against the mark and the yen.

pound and the dollar were expeci-

But in earlier European trading, sterling surged Friday by 2 pfennigs and 1.5 cents after news of the fall in Britain's current account deficit in March to £254 million (\$477 million) against £720 million

in February

The pound later fell back from
the day's highs, checked by Bank of England intervention at around \$1.8830, and the market's own lack

of aggression, dealers said.
The British central bank sold sterling again in the afternoon at

**London Dollar Rates** Deutsche work Pound sterling Josenese yen Swiss fronc French franc 1,6745 1,6792 124,95 1,3726 5,6925 1.1749

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\$1.8840, but was obviously aiming at preventing the currency from breaching 3.15 DM, dealers said. Still the pound closed at 3.1472 DM, up sharply from Thursday's close of 3.1277 DM. Trade-weighted, sterling was 0.4 percent up on its 1975 value at 78.4 from 78.0 at

the start, unchanged from the close. "I see sterling remaining stuck in its current 3.10-3.15 mark range," rent lethargy, and also because it has become less fashionable to said a dealer at a British clearing push sterling up against the mark." have been running high in the reIn New York, the dollar's rise cent weeks on evidence of susspurred speculation that money center banks might follow Riggs in

lifting the prime rate, a move that would support the dollar by lifting the return on dollar-denominated The U.S. currency's strength also was aided by profit-taking in sterling, whose upward momentum day and other European centers was hindered by lower oil prices and an apparent lack of progress at an apparent lack of progress at a meeting of the Organization of

Petroleum Exporting Countries in Vienna. Yet while the market took the news of the rate rise at Riggs as supportive for the dollar, James McGroarty, an analyst at Discount Corp., warned that if money center banks follow suit and U.S. interest rates rise, European nations, especially West Germany, could lift 1.3848 francs Thursday.

their rates - a move that would

undercut the dollar. "I'm a little worried about the dollar," Mr. McGroarty said. "The Germans are making a lot of noise about following U.S. rates."

Heimut Schlesinger, vice president of the Bundesbank, said in an interview published Thursday that dollar interest rates had firmed slightly, adding that such a rise usually did oot leave West Germa-

ny completely maffected.
Indeed, West German rates have moved up in recent days, giving underlying support to the mark particularly in cross trading against European currencies and the yen. Still, dealers said the dollar was likely to remain steady until U.S.

unemployment figures for April are released oext Friday. terest rates, expectations which have been running high in the retained growth in the U.S. economy and sign of renewed inflation.

day morning, traders had anticipated a slow day. They noted that the holiday elosure of the Tokyo market Thursday, as well as the closure on Monday for a British bank holireaction to a 0.8 percent rise in

Prior to the dollar's climb Thurs-

March U.S. leading indicators, which was in line with forecasts. In earlier European trading the dollar was fixed lower in Frankfurt at 1.6683 DM against 1.6726 DM Thursday and in Paris at 5.6710 French francs from 5.6770 francs. In Zurich the dollar closed high-

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**Dollar** to Lose More Ground, Feldstein Says

CHICAGO — The dollar is likely to continue to lose value against the yen and West German Deutsche mark so that the United States can attract foreign investment to finance its budget deficit, a U.S. economist, Martin Feldstein, has predicted.

Mr. Feldstein, who formerly headed President Ronald Reagan's Council of Economic Advisers, was speaking to an investment banking forum.

He said he believed the dollar would fall to less than 100 yen from its current level of about 125 in the next few years and was likely to drop to about 1.25 DM from 1.67 now. "If the dollar were lower, it

would be easier to induce for-eign money to invest in the U.S.," said Mr. Feldstein, who heads the Harvard-based National Bureau of Economic Research. "A key factor is that the U.S. will not use interest rates to defend the dollar."

Costlier borrowing could slow the U.S. economy and even tilt it into recession, analysts say. Mr. Feldstein said he did

not believe the Federal Reserve Board, the U.S. central bank, would "forego defense of the economic expansion to keep the dollar from adjusting to a more realistic level."

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# German Rates Rise, Apparently on U.S. Trend

Compiled to: Our Sigly From Disputches FRANKFURT - West German interest

rates, whose rise last year was considered a factor in the stock market collapse, are moving up again, apparently in response to upward pressure on U.S. rates, dealers noted Friday. The average German government bond rate,

which rose to 5.93 percent on Thursday from 5.86 on Wednesday, the highest since January. rose again on Friday, to 5.94 percent.

The average rate was 5.66 percent two weeks

After last October's market collapse, West German rates started downward. But that trend was halted in mid-March.

On Wednesday, the Finance Ministry reacted to upward rate pressure by increasing the yield on five-year government bonds to 5.16 percent, against the previous 5 percent. The five-year bond stood still higher, at 5.50 per-

cent, on Friday. The federal 10-year bond yielded 6.49 percent on Friday after 6.46 on Thursday. Many market operators think the pressure

primarily a reaction to higher short-term U.S. interest rates. The federal funds rate, the rate at which U.S. banks lend each other money overnight, rose to 7.0631 percent on Thursday from rates.

6.875 percent on Wednesday. Funds slipped

back 10 7 percent in late trading Friday.

A Frankfurt bank bond dealer said that since investors are no longer counting on further appreciation of the Deutsche mark, the rise in American rates naturally spills over into our

mors that the Bundesbank may soon take some rent situation and the U.S.-West German quarrestrictive steps, despite assurances to the contrary given this week by the central hank's president, Karl Otto Pöhl.

Latest figures on the money supply, as measured by the broad M-3 yardstick, show it rising considerably faster than the 3 to 6 percent range set by the Bundesbank for this year. The rise in money supply can be an early warning signal of a resurgence of inflation, which the German authorities have consistently sought to

Some dealers said the Bundesbank, in setting terms of a new securities repurchase pact next Tuesday, might increase the 3.25 percent fixed rate that has been in effect since November. Alternatively, they said, the central bank might switch from a volume tender to an interest-rate tender, which would have the effect of raising

But other dealers dismissed these rumors. Some operators saw a confirmation of an impending tightening in a newspaper interview with Helmut Schlesinger, vice president of the Bundesbank, that was published Thursday. He said that "generally, a rise in U.S. rates affects.

the West German market." Observers note similarities between the cur-

"At the time, the two countries hlamed each other for high rates, which acted as a detonator for the crash," one bank official said. "If the Bundesbank, still greatly worried by excessive growth of the money supply, intervenes to affect interest rates, even very slightly, such a move would be widely noticed and not much appreciated on the other side of the Atlantic."

An increase in West German rates would have the effect of making investments denominated in Deutsche marks more attractive relative to dollar-denominated securities, and would tend to strengthen the German currency against the dollar.

The U.S. government has recently taken the position that the dollar has fallen far enough against other major currencies to help reduce the U.S. trade deficit. (AFP, Reuters, IHT)

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#### DATA: U.S. Predicts More Growth

(Continued from Page 1)
vestors' fears that the economic
strength will soon prompt the Federal Reserve to tighten credit as a way of slowing economic activity. Riggs National Bank of Washington raised its prime lending rate

Friday to 8.75 percent from 8.50 percent. Although Riggs is not an influential major bank, it led the last round of prime rate increases. The prime is a benchmark rate used to figure costs on loans to a bank's preferred customers.

The March increase in the index reflected widespread strength as six of the nine individual indicators showed gains.

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The biggest gain came from a rise in stock prices, followed by a drop in weekly unemployment claims. On Thursday, the government reported that weekly unemployment claims fell to the lowest level since December 1973, prompting speculation that the unemployment report for April, which will be released Friday, will show a further decline to 5.5 percent, down from the current nine-

year low of 5.6 percent. Three indicators held the index back: a drop in the length of the average workweek, in plant and equipment orders, and in manufac-turers' orders for consumer goods.

#### No Signs of Fed Tightening

NEW YORK - The Federal Reserve has given no sign yet that it is prepared to put a tighter squeeze on the nation's credit supply, but economists say another healthy U.S. employment report may spur the central bank to act.

"The Fed haso's moved any further to tighten policy yet," said John Williams of Bankers Trust Co. "But they will fairly soon if next week's employment data come in as strong as I think they will, at up about 300,000." The data will include nonfarm payrolls.

After a string of evidence building the case for sustained U.S. economic growth, including a surge in domestic consumption that bolstered a first-quarter gain of 2.3 percent in the gross oational product, there is a nearly unanimous view that the Fed will oudge its

funds rate target higher, The central bank is expected to push its target to 7 percent plus from 8 presumed range of 634 to 6% percent.

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12 Month
High Low Stock



NASDAQ prices as of 4 p.m. New York time. This list, complied by the AP, consists of the 1,000 most traded securities in terms of dollar value.
It is updated twice a year. Via The Associated Press

12 Month High Low Stock

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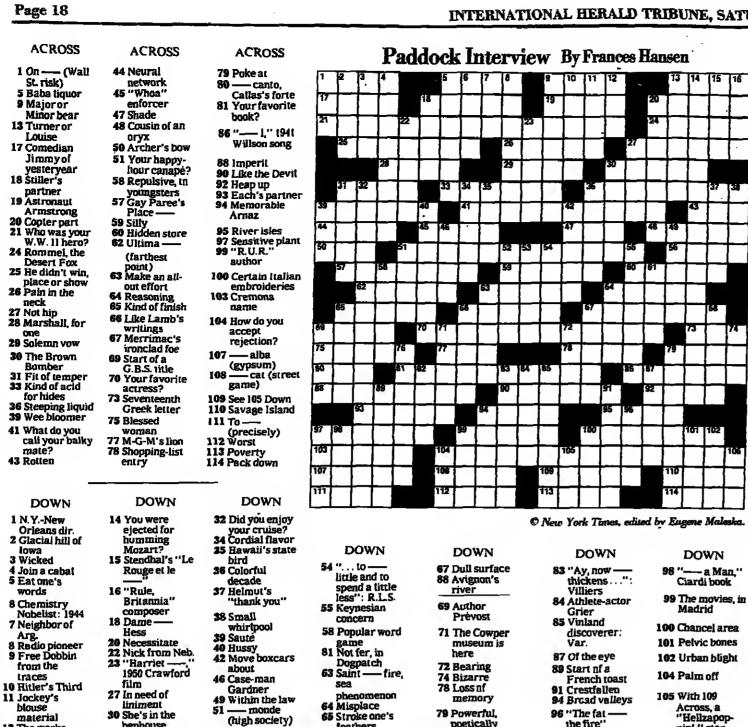
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**PEANUTS** 

WHY DOESN'T THE FAMOUS

WORLD WAR! FLYING ACE GIVE A CAKE TO THE RED BARON ON HIS BIRTHDAY?



#### INFINITE IN ALL DIRECTIONS

& Row, Publishers Inc., 10 East 53d Street, New York, N. Y. 10022. Reviewed by Curt Suplee

By Freeman Dyson. 321 pages, \$19.95. Harper

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F OUR decades ago, C.P. Snow foresaw that society was splitting into two cultures. "Literary intellectuals at nne pole - at the other scientists," warned the British physicist; and "between the two a gulf of mutual incomprehensinn."

Nn nnc in contemporary letters has done more to bridge that gulf than Freeman Dyson; theoretical physicist, professor at Princeton's august Institute far Advanced Study, veteran defense consultant and, neuron for neuron, one of the most formidably provocative minds in American life - as he proves once again in "Infinite in All Directions."

The book is not fur the intellectually timid. "What philosophical lessons arise from the recent discoveries in physics?" he asks at the very outset of this free-wheeling collection of essays. For one thing "there is oo such thing as a simple material universe," since physical matter is now seen to behave "as an active agent rather than an inert substance."

#### **BOOKS**

feathers

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It is "weird enough so that it does not limit God's freednm to make it dn what he pleases.

And Dyson is just warming up. After 17 chapters on the general theme of "the unbounded prodigality of life and the consequent unboundedness of human destiny," the bedazzled reader emerges feeling like he's been in a metaphysical washing machine on spin cycle — his perspective on man, God and the cosmos permanently altered.

The effect is familiar to those who know Dyson's previous books - a meditative authbiography. "Disturbing the Universe" (1979) and a treatise on nuclear arms, "Weapons and Hope" (1984), His genius is to examine science in its humane, common-sensical purport even when at his most conceptually audacious. And happily for general readers, his interests are eclectic, his scope wide and his opinions blunt.

The essays fall into two parts. The first surveys ways of looking at meaning in the universe, hypotheses about the biochemical origins of life and how human beings might evolve in the distant future.

Solution to Last Week's Puzzle

Apropos of which, Dyson offers two extended arguments: a theoretical model of a two-stage nrigin nf life "nut of molecular chaos" (protein formation fullowed by RNA development); and a mathematically generated prognosis for human life as the universe evalves. If it suddenly enguracts again, reversing the Big Bang, you can forget about getting the roof fixed: "What will our last poets sing, whoever they may be, human nr alien, as they watch the stars crowding ingether and streaming faster and faster across the imploding sky?" But it may cootinue to expand and cool. And fortunately, 'cold environments are fuodamentally more hospi table to complex forms of life than but environments. Life is, after all. an ordered frrm of matter,

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and lower temperature favors order. The second part of the book takes up less heady stuff, analyzing "lechnology as a force for good and evil in human affairs" and focusing on the question, "Why have our efforts to apply science fruitfully to human needs in recent decades been so conspicuously unsuccessful?" Here Dyson's ferocious earnestness is occasinnally tinged with whimsy.

On oature: "When I compare the biological world with the wurld of mechanical industry, I am impressed by the enormous superiority of biological processes." To wit: "A skunk dies in a forest; within a few days an army of ants and beetles and bacteria goes to work, and after a few weeks barely a bone remains. An automobile dies and is taken in a junk yard; after 10 years it is still there."
On politics: "The American Constitution is de-

signed to be operated by crooks, just as the British constitution is designed to be operated by gentle-

But he is soon back to nur cultural obsession with large-scale, overly complex solutions in prinhlems that require cheap and simple things: Just as Robert Scott's trek to the South Pole turned intn a morbid debacle because he refused to use sled dogs, the Challenger explosion need never have occurred since the payload required a simple booster rocket, not a manned spacecraft. "The insistence that Shuttle be the sole launch system was directly responsi-ble for the disaster of January 1986," Dyson writes.

Curt Suplee is on the staff of The Washington Post.

#### BLONDIE CAN'T WAIT FOR THE! ARDINES IN MUSTARD BEETLE BAILEY THAT IT'S OBSOLETE WHAT DOES THIS TANK BEFORE DELIVERY COMES WITH THAT GUARANTEE A PENTAGON WARRANTY 4-30 ANDY CAPP EXCEPT GIVE UP ONE OF YOUR -SHOOKER NIGHTS EXCEPT GIVE UP ONE OF MY NOOKER NIGHTS ONT BE LIKE THAT, PET 4-30 WIZARD of ID WITH THATS THIS FEUDA REX MORGAN GET HIS TAKE IT IN OFFICE! DURING THE TROUBLE! GARFIELD

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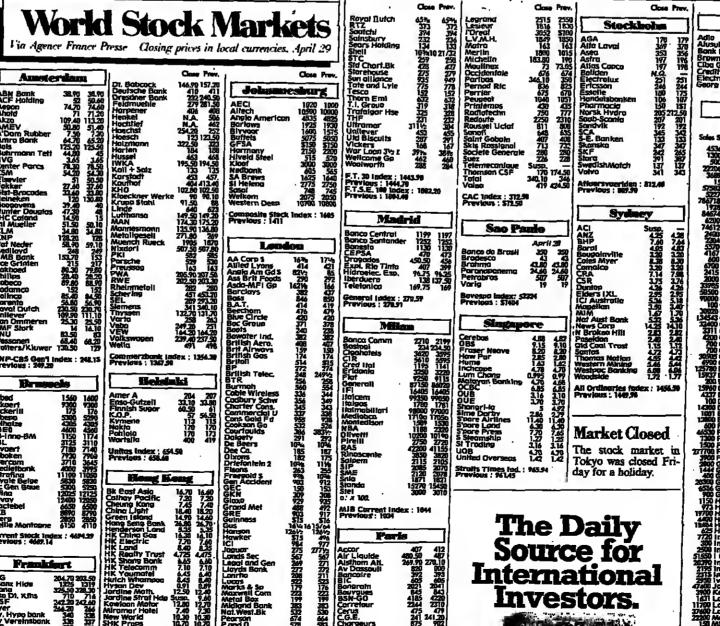
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# Brunansky Gives Cardinals Some Muscle

Said Brunansky, who has averaged 28 home runs a year for the last five seasons: "You've got to be Brunansky's old swing works just fine.

A home run threat for the Minnesota Twins before being traded last week to St. Louis Brunansky is

Said Brunansky, who has averaged 28 home runs a year for the last five seasons: "You've got to be last five seasons: "You've got to be aggressive—I never want to be in a situation where I'm 0-2. I don't balls were both up. When Brunansky gets his pitches, be hits them. He hurts them when they're up."

BASEBALL ROUNDUP

Base Brunansky homered after Terry Pendleton singled, and the newcomer to know what pitches were both up. When Brunansky gets his pitches, be hits them. He hurts them when they're up."

BASEBALL ROUNDUP

making his inaugural tour of the National League. Thursday night his trade that brought the right the later to be later to be some on mistakes made by the pitcher," he said.

Brunansky seemed to agree: "I single to Tony Gwynn that tied the would say that 100 percent of my homers come on mistakes made by the pitcher," he said.

The trade that brought the right the pitcher, he said. three in his last two games - to help the Cardinals to a 6-4 triumph

and the second s

Orioles couldn't hang on.

**Another Sad Oriole Milestone** Compiled by Our Steff From Dispetches

Compiled by Our St

Having shattered the American
League record for consecutive losses while in Minnesota, the vio
Thursday was its 21st, breaking the Thurs "It starts to wear you down men-tally and physically," said manager victory since June 2, 1985, when he Frank Robinson, 0-15 since replac-was with the Mets. He struck out

not going to go away. They know the whole world is watching."

Added catcher Terry Kennedy:
"The fishbowl is getting smaller and smaller every day."

A week after they established the record for consecutive losses at the

Tigers 2, Angels 1: In Detroit, lefthander Frank Tanana became

and shortstop Cal Ripken Jr. committed errors. Rookie right fielder Keith Hughes misplayed two catchable balls inin doubles. Mike Boddicker, 0-5 after his 10th straight loss, gave up only six hits in his 71/2 innings. But one was a two-run homer by Kent Hrbek

and another a two-run double by "It's getting to the point where it's and Floyd Bannister had a one-hit out of hand, where it's sad," said the Twins' Kirby Puckett, "Nobody Ciry subdued the Yankees. Bannis-

Brunansky seemed to agree: "I ond, and surrendered a two-run

The trade that brought the right fielder in the Cardinals for second baseman Tommy Herr may provide St. Louis with the power latter nailed Ed Whitson for four runs in alled Ed Whitson for four runs in the first inning before the Cardinals nailed Ed Whitson for four runs in the first.

Pirates 2, Glants 1: In San Francisco, Darnell Coles singled in Bobby Bonilla with one out in the 10th in edge the Giants, Making his first appearance against his former team, reliever Jeff Robinson worked 3½ invines for the victory. Pittsburgh

ing Cal Ripken Sr. "Everything is seven and gave up four hits and an taking its toll on us right now. It's unearned run in his 5% innings.

record for consecutive losses at the he balked twice - giving him !! this start of a season, Baltimore still season, tying the major league recan't get into the victory column. The brany of losing sounded famil
White Sox 6, Red Sox 0: fn Chi-

cago, a three-run homer in the sec-As in recent outings, the Orioles scored first. Tito Landrum led off the game with a single and eventually scored on Eddie Murray's support necessary for Dave Landrum led off the game with a single and eventually scored on Eddie Murray's support necessary for Dave Landrum and lowered his support necessary for Dave Landrum led in his eighth carried support necessary for Dave Landrum led in his eighth carried support necessary for Dave Landrum led in his eighth carried support necessary for Dave Landrum led in his eighth carried support necessary for Dave Landrum led off support league-leading earned-run average And, as in recent outings, the to 0.95.

Against career minor-leaguers the first Tiger pitcher in 34 years to Allan Anderson and Mark Portuwin his first five starts and Mike gal, Baltimore hitters were 1-for-9 Henneman picked up his eighth save in nine chances. Henneman with runners in scoring position; the team's season batting average in such situations is .132. had seven saves down the stretch as a rookie last season. Second baseman Rene Gonzales

# Thomas, Jordan Open Playoffs in Style

76-73 entering the final period. With 10:22 left, Chicago went

back on top, 78-77, on a Jordan 3-

"Our defense didn't turn it on

لمكذا من ألاصل

NEW YORK — Two of bas-ketball's most luminous guards stepped to the front Thursday night in the opening round of the National Basketball Association

pointer that started a 14-0 run. until the fourth quarter," Jordan said. "We kept turning over the Isiah Thomas scored 26 of his 34 points in the second half to game and just didn't get it togeth-

NBA PLAYOFFS

lead Detroit past Washington, and Michael Jordan racked up 20 of his 50 points in the second quarter as Chicago ended a threeyear postseason losing streak by downing Cleveland.
Meanwhile, Dallas and Port-

Pistons 96, Bullets 87: In Pon-tiac, Michigan, Thomas helped Detroit erase a 9-point deficit in the third quarter, during which he scored 12 points. He had another 12 points in the first eight min-utes of the final period in help the Pistons in an E5-76 lead. "Isiah came on in the second

land won Western Division open-

half and dominated the game," said Chuck Daly, the winners' coach. "He made seven or eight in a row. That's why he is who he is." Washington did an excellent job on Adrian Dantley, holding the forward to 12 points through three quarters and 21 for the game. But Detroit kept the Bullets' Moses Malone to 21 points.

less by 30-15 from the free-throw Buils 104, Cavaliers 93: In Chicago, Jordan's 50 poiots helped the Bulls win their first playoff game since 1985 (Bosion has swept Chicago in the opening round for the last two seasons).

Behind Jordan, the Bulls built

SCOREBOARD

an 11-point second-period edge.

The Pistons outscored the Bul-

Tough defense, here administered by John Salley, limited but the Jazz came no closer than Washington's Moses Malone to 21 points. Detroit won, 96-87.

Compiled by Our Staff From Dispatches but Cleveland rallied to lead by NEW YORK — Two of bas-Brad Daugherty was limited to 12. Cleveland played without in-

jured guard Ron Harper. Mavericks 120, Rockets 110: In Dallas, sixth man Roy Tarpley outbattled Akeem Olajuwon down the stretch to spark the

scored 24 points and could not be stopped late in the game. Eight Dallas players scored in double figures in an attack that featured 57-percent shooting. The Mavericks built a 6-poiot lead with two minutes to play when Tarpley beat Olajuwon and was fouled for a 3-point play. Moments later Tarpley again spun around Olajuwon for a lay-up that boosted the Dallas advan-

> fn the third period, Tarpley had caused Olajuwon in pick up his fourth foul; the Houston center sat out the last six minutes of the third quarter and the first four minutes of the fourth.

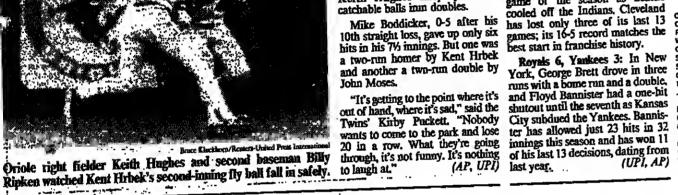
Dallas center James Donaldson scored a playoff-high 18 points while Mark Aguirre had 16. Olajuwon had 34 and Joe Barry Carroll and Purvis Short 13

each for the Rockets. "I thought Tarpley and Donaldson did a better job inside than we did," said Houston's coach, Bill Fitch. "That was about it."

Trail Blazers 108, Jazz 96: ln Portland, Oregon, Clyde Drexler and Jerome Kersey each scored 26 points in lead Portland past Utah Terry Porter added 20 points for the Trail Blazers, who lost four of five regular-season games to the Jazz, including two in Portland.

Thurl Bailey had 31 points and John Stockton 20 in lead the Jazz. Utah's Karl Malooe, who averaged 27.7 points a game this sea-son, was beld in 16 — 12 of them in the first half.

Stockton's two free throws with 6:08 left in the third period narrowed Portland's lead to 69-59,



### Labor Board Ruling Could Pave Way Caps Force For Unrestricted Free Agency in NFL 7th Game statement Thursday warning that if it, a player can change teams, his the union did not return to the bargaining table and negotiate, the owners would consider "a number The union argues that the compensated.

**SIDELINES** 

system or adopt a new one." Under

impose the terms of the last offer at

Legal sources familiar with the

union's antitrust suit said it was

unlikely Doty would grant the pre-

liminary injunction. They said it

would be easier for the court to first

hear the union's case and then, if it

By Frank Swoboda and Michael Wilbon Washington Part Service
WASHINGTON — The Naof options and concepts." He did sation requirement in effect bars tional Football League Players Asnot claborate. Union officials have concluded

sociation scored a major victory Thursday in its bid for unrestricted that they cannot win free agency at the bargaining table and are willing free agency.

The general counsel of the Nato risk any terms the owners might tional Labor Relations Board ruled impose in the interim. Culverhouse said, "maybe at an impasse had been reached between the union and NFL manage-

ment on the free agency issue and dismissed a complaint by league owners that the union had refused to negotiate in good faith for a new The union is now free to seek a federal injunction against NFL restrictions on free agency. Gene Up-shaw, the union's president, said

the ruling was "not a total victory big step."

on the union's premimary injunction request.

Culverhouse said the league's granted, be said, "The judge would have to find the league committed owners were confident the Minnellowing a 24-day strike. There have been no formal nerotiations because of formal nerotiations and the formal nerotiations of formal nerotiations because of formal nerotiations because of formal nerotiations because of formal nerotiations and the formal nerotiations of formal nerotiations and the formal nerotiations of formal nerotiations are the formal nerotiation of formal nerotiations and the formal nerotiation of formal nerotiations are the formal nerotiation of formal nerotiations and the formal nerotiation of formal nerotiations and the formal nerotiations are the formal nerotiation of formal nerotiations and the formal nerotiation of formal nerotiations are the formal nerotiation of formal nerotiations and the formal nerotiation of formal nerotiations are the formal nerotiation of forma agency system now in place. Under casy step." been no formal negotiations be-

tween union and management since Upshaw said the union would immediately seek a preliminary injunction in federal court against the league in an effort to give free agency to the 500 players whose con-

Richard Berthelsen, counsel for the NFLPA, called the ruling very gratifying" and said he hoped to have a preliminary injunction as soon as possible to give the players a chance to seek free agency before the opening of training camps in early July.

The effect of the NLRB ruling was to unlock an extremely comportated legal situation that had barred the union from pursuing an existing the properties of the union from pursuing and the union from pursuing an existing the properties of the union from pursuing an existing the properties of the union from pursuing and the properties of the

cated legal situation that had race include Frankfurt, Berlin, Prague, Warsaw and Minsk. Organizers race include Frankfurt, Berlin, Prague, Warsaw and Minsk. Organizers race include Frankfurt, Berlin, Prague, Warsaw and Minsk. Organizers race include Frankfurt, Berlin, Prague, Warsaw and Minsk. Organizers race include Frankfurt, Berlin, Prague, Warsaw and Minsk. Organizers race include Frankfurt, Berlin, Prague, Warsaw and Minsk. Organizers race include Frankfurt, Berlin, Prague, Warsaw and Minsk. Organizers race include Frankfurt, Berlin, Prague, Warsaw and Minsk. Organizers race include Frankfurt, Berlin, Prague, Warsaw and Minsk. Organizers race include Frankfurt, Berlin, Prague, Warsaw and Minsk. Organizers race include Frankfurt, Berlin, Prague, Warsaw and Minsk. Organizers race include Frankfurt, Berlin, Prague, Warsaw and Minsk. Organizers race include Frankfurt, Berlin, Prague, Warsaw and Minsk. Organizers race include Frankfurt, Berlin, Prague, Warsaw and Minsk. Organizers race include Frankfurt, Berlin, Prague, Warsaw and Minsk. Organizers race include Frankfurt, Berlin, Prague, Warsaw and Minsk. Organizers race include Frankfurt, Berlin, Prague, Warsaw and Minsk. Organizers race include Frankfurt, Berlin, Prague, Warsaw and Minsk. Organizers race include Frankfurt, Berlin, Prague, Warsaw and Minsk. Organizers race include Frankfurt, Berlin, Prague, Warsaw and Minsk. Organizers race include Frankfurt, Berlin, Prague, Warsaw and Minsk. Organizers race include Frankfurt race include F

After returning to work, the union filed a federal suit against union filed a federal suit against Granacus Winner of Blue Grass Stakes year. At the time, it asked U.S.

District Judge David Doty to grant a preliminary injunction against down the leaders in mid-stretch and drew away for a three-length victory in the league because an impasse had down the league because an impasse had Thursday's Blue Grass Stakes and a berth in the May 7 Kennicky Derby.

Thursday's Blue Grass Stakes and a berth in the May 7 Kennicky Derby.

Intensive Command and favored Regal Classic also made late moves to new contract. So long as it had a finish second and third, respectively, in the Grade I race, the next-to-last valid labor contract, the NFL was prep for the Derby. Granacus covered the 1%-mile (1,810-meter) course exempt from antitrust law on the n a slow 1:52-1/5.

But Doty said he would not rule Floyd, Norman Lead by 1 in U.S. Golf free agency issue. on the union's request until the NLRB determined whether an impasse had been reached. Thursday's ruling allows the union to go back to court immediately.

THE WOODLANDS, Texas (UPI) — Ray Floyd and Greg Norman the shot 7-under-par 65s Thursday to take the first-round lead in the shot 7-under-par 65s Thursday to take the first-round lead in the shot 7-under-par 65s Thursday to take the first-round lead in the shot to court immediately.

Hal Sutton was one stroke back of the leaders, while Mike Donald, who has relead the cut in helf the tournaments he has entered this user. back to court immediately.

Hal Sutton was one stroke back of the leaders, while Mike Donald, who has missed the cut in half the tournaments he has entered this year, was has missed the cut in half the tournaments he has entered this year, was

nas misseu ine cui in naii ine tournaments ne has entered this year, was Ni-L's management council, said he alone in third with a 67; Brian Tennyson, David Ogrin, George Burns, alone in third with a 67; Brian Tennyson, David Ogrin, George Burns, alone in third with a 67; Brian Tennyson, David Ogrin, George Burns, alone in third with a 67; Brian Tennyson, David Ogrin, George Burns, alone in third with a 67; Brian Tennyson, David Ogrin, George Burns, alone in third with a 67; Brian Tennyson, David Ogrin, George Burns, alone in third with a 67; Brian Tennyson, David Ogrin, George Burns, alone in third with a 67; Brian Tennyson, David Ogrin, George Burns, alone in third with a 67; Brian Tennyson, David Ogrin, George Burns, alone in third with a 67; Brian Tennyson, David Ogrin, George Burns, alone in third with a 67; Brian Tennyson, David Ogrin, George Burns, alone in third with a 67; Brian Tennyson, David Ogrin, George Burns, alone in third with a 67; Brian Tennyson, David Ogrin, George Burns, alone in third with a 67; Brian Tennyson, David Ogrin, George Burns, alone in third with a 67; Brian Tennyson, David Ogrin, George Burns, alone in third with a 67; Brian Tennyson, David Ogrin, George Burns, alone in third with a 67; Brian Tennyson, David Ogrin, George Burns, alone in third with a 67; Brian Tennyson, David Ogrin, George Burns, alone in third with a 67; Brian Tennyson and Duffy Waldorf had 68s. the ruling the owners have one week to decide whether to do so with

Hugh F. Culverhouse, chairman of the executive committee of the management council, issued a management council, issued a lack McKeon, general manager of the San Diego Padres, on incentive bonuses: "You pay a gry for a 162-game schedule, so why pay him tive bonuses: "You pay a gry for a 162-game schedule, so why pay him (LAT)

some point we'll agree there's an impasse. Then we can consider exercising our rights under the law to implement changes in the existing granted and then the union lost the case, they said, it would be almost an impasse, the owners are free to impossible to undo the damage. One source who has been followthe bargaining table. It seems unlikely that the owners would make any public acknowledgment of an impasse, however, until Doty ruled impasse and then proceed with the

impasse, however, until Doty ruled impasse and then proceed with the on the union's preliminary injunction records.

Cycling's Peace Race Broadens Scope

# Baseball Mariners 3, Indians 1: In Cleveland, rookic Mike Campbell struck out seven in this second complete game of the season as Seattle cooled off the Indians. Cleveland has lost only three of its last 13 dots only

With Devils

Stoken Bases; R. Henderson, New York, 15;
Petits, Detroit, 9; Conseco, Octiond, B; Conserver, Cleveland, 7; Cotto, Seattle, 7.
PITCNING (3 decisions)

Woo-Leaf/Wissing PCL: Stewort, Dakland, 4-0, 1,000; Swindett, Cleveland, 5-0, 1,000; Condictit, Cleveland, 4-0, 1,000; Swindett, Cleveland, 4-0, 1,000; Clemens, Boston, 4-0, 1,000; Lottor, New York, 2-0, 1,000.

Jersey — Shaking off a fluke goal cleveland, 3-0, 1,000; Clemens, Boston, 4-0, 1,000; Letter, New York, 3-0, 1,000.

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Strikesysts: Clemens, Boston, 4-0, 1,000; Letter, New York, 3-0, 1,000.

I Jersey Devils Thursday night, 7-2, to force a deciding seventh game in the Patrick Division final of the National Hockey League playoffs. The winner of Saturday night's game will meet the Boston Bruins in the Wales Conference final.

Shortly after the opening face-off, the puck took a weird hop off the glass behind the Washington net; Claude Loiselle's close-in shot beat Pete Pecters. "I just said that's one for them—we'll spot them one, we'll come back."

So they did. Washington replied with three straight first-period goals, by Mike Ridley, Dale Hunter and Steve Leach. New Jersey collapsed in the second period, when Ivan Cortivean and Dave Christian ran the lead to 5-1 by capitalizing on sloppy defensive play.

Game 7 will be played in Landover, Maryland, where New Jersey has won three of its last four games after a 0-19-1 streak. "We have the recipe," said Devil goaltender Bob Sauve. "We'just have in do it again."

Each team has won twice on the road in the series, "What we need," said Washington's Bob Gould, "is a road game at home."

So they did washington splied when lead to 5-1 by capitalizing on sloppy defensive play.

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Baseball

1-1, Sv—Golf (3).

Chicago 888 904 188—5 7 3

Las Angeles 889 981 999—1 5 8

Schiraldi, DiPino (6) and J.Davis; Betcher,

Havens (6). Hotton 17) and Sciascia. W—

Schiraldi, 1-2. L—Betcher, 1-1. Sv—DiPino 11).

#### Basketball National Basketball Association Playoffs

THURSDAY'S RESULTS
Eastern Conference

Washington
21 21 19 26—87
70 18 29 29—87
1 Thomas 13-26 6-10 34, Damiley 6-13 9-12 21;
1 Malone 13-24 7-11 33, M. Molone 0-17 5-6 21.
Rebounds: Washinston 51 (M. Molone 131, Derroit 31 Iclamber 121, Assists: Washington 18
(Williams 91, Detroit 15 (Dumars 61.
(Williams 91, Detroit 16 (Dumars 61.
(Williams 91, Detroit 17 4-5 18 (Dumars 61.
(Williams 91, Detroit 18 (Dumars 61.
(W

First-Round Schedule EASTERN CONFERENCE
April 38: Detroil 94. Woshington 97
April 38: Washington of Detroil
May 2: Detroil of Washington
X-May 4: Detroil of Washington
X-May 4: Washington of Debail

April 29: Son Antonio at Los Angeles May 1: Son Antonio at Los Angeles May 3: Los Angeles at Son Antonio 2-May 5: Los Angeles at Son Antonio 2-May 8: Son Antonia at Los Angeles

April 29: Seattle at Denver May 1: Seattle at Denver May 3: Denver at Seattle 3-May 5: Denver at Seattle 15-May 7: Seattle at Denver

#### Hockey

THURSDAY'S RESULT
WALES CONFERENCE (Second Round)
3 2 2-7
1 6 1-2 Washington 3 2 2 2-7
New Jersey
Ridley 161, Nunter (7), Leoch (2), Corriveou
111, Christian (51, Miller (4), Gortner (3);
Loiselle (3), Maley (2), Shots on agost; Washington (on Burke, Sauvel 8-10-13—3); New
Jersey (on Peeters) 9-11-7-77.

#### Transition

BASEBALL BASEDATE

American League

BALTIMORE—Placed Jett Stone, outliefder, on the 15-day disabled list. Maved Jim

Dwyer, outliefder, from the 15-to 21-day disabled list. Recalled Pete Stanleck. Inflekter
to the control of the Stanleck Linguistics and the control of the Control of

National League
PITTSBURGH—Activated Mike Dunne plicher. Optioned Miguel Garcio, plicher, to Buffale at the American Association.

Matienal Football League
ATLANTA—Signed Tony Sertley and Tony DALLAS—Signed Jim Miller, tree safety, la

MI AMI—Signed Selwyn Brown, safety; Mark McNell, cornerback; Shown Rose, linebacker, and Tany Viates, light end, to free-agent controcts. HOCKEY

ARIZONA STATE—Named Ronnie Cox re-cruiling coordinator for the department of attietics. Promoted Dave Botter from assis-citietics. Promoted Dave Botter from assis-

#### Tennis

(At Namburel Quarterfinals Boris Becker, Wesi Germany, del. Guil-lerma Perez-Roldon, Argenlina, 6-1, 6-3 Henri Leconte, France, del. Jookim Nys-

Ment Lecome, Prance, and Japanin Mystroem. Swaden, 64, 6-7. and Carisson, Swaden, del. Claudio Mezzadri, Switzerland, 6-0. 6-3. Jord Arress. Souln. del. Guillerma Vilas, Argentina. 6-4. 6-4.

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# Rediscovering Julia Morgan

By Diana Ketcham New York Times Service

BERKELEY, California —

Julia Morgan has been a

mystery woman of California history. A prolific architect who worked from the turn of the cen-

tury until the late 1950s, Morgan designed oearly 800 buildings in the state, including William Randolph Hearst's monumental estate. San Simeon.

To this day, there is cachet to owning a genuine Julia Morgan home; in northern California, a Julia Morgan Association flourishes, and lours of her houses ranging from informal brownshingle to imposing Mediterra-

ings she has documented are such landmarks as the Hearst estate Wyntoon in northern California, along with the Asilomar YWCA conference center in Monterey, the YWCA in Oakland, and, in Berkeley, the Women's City Club, St. John's Presbyterian Church and the Hearst Memorial

For her admirers, Morgan's most staggering achievement is still San Simeoo, the Pacific Coast hilltop compound built to house Hearst's vast collections. The mercurial oewspaper publisher and the fastidious architect made an odd couple; their col-

A prolific architect who worked from the turn of the century until the late 1950s, she designed nearly 800 buildings in California, including Hearst's monumental estate, San Simeon.

nean styles - are popular weekeod entertainment.

Yet little is known about Morgan's life and career. One of the most accomplished of California's pioneering professional women, she was also one of the most reticent. She was reluctant to be interviewed or photographed. She ran her San Francisco office alone, and before she died in 1957 at the age of 85, she ordered her blueprints destroyed.

This spring, the limelight is finally shining on this clusive lig-ure. There is an exhibit from the Julia Morgan archives at California Polytechnic State University in San Luis Obisbo, and a permanent exhibit on the creation of Abbeville Press will publish a biography, "Julia Morgan, Archi-tect," hy Sara Boutelle.

Boutelle, a teacher of architectural history at the Brearley School in New York, has been collecting Morgan's memoirs and documents since she visited San Simeon in 1972 and learned that its architect was a woman she had

laboration on San Simeon began in 1919 and ended only with the onset of Hearst's last illness in 1947, when he was 84 and Mor-

gan was 75. Boutelle offers an endearing portrait of the diminutive Morgan. Uovaryingly dressed in a narrow-hrimmed hat, tailored gray suit and white French silk blouse, she clambered over scaffolding to direct the 100 workmen taken to the remote site of the compound in the Santa Lucia Mountains, 250 miles south of

Nearly every weekend, Morgan would board the Friday evening train in San Francisco, working through the night in a compart-San Simeon opened Thursday at ment fitted out with a drafting the estate's visitor center. In June, table. She worked amid troupes ment fitted out with a drafting of cavorting celebrities - among them Clark Gable, Charlie Chaplin and P.G. Wodehouse -- who were guests of Hearst and his companion Marion Davies at house parties. She was "a neat hantam hen among peacocks, one regular guest observed.

For Hearst, the Mediterranean revival extravaganza was the set-



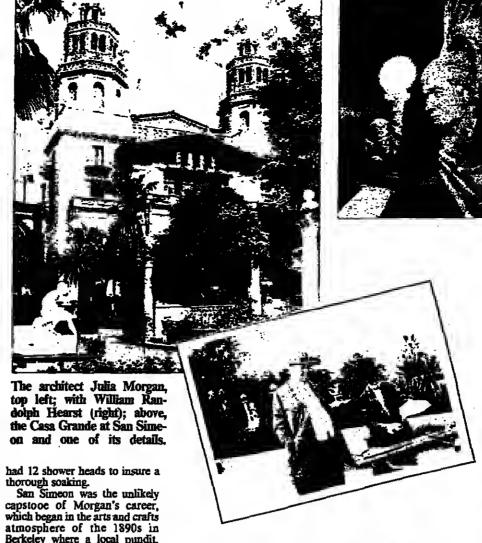
ting for his fantasies of himself as an American prince. For Morgan, it was the ultimate test of her Beaux-Arts training, with its rigorous emphasis on symmetry, large-scale planning and use of ornamentation from a wide range of historical styles.

As a student in Europe, Morgan had fallen under the spell of the Gothic, with its mystique of the architect as part of a team of workmen. At San Simeon, she lived out her medieval fantasy. creating a community of craftsmen, woodcarvers, stone casters, weavers and ironworkers.

On Friday, San Simeon cele-brated its 30th anniversary as a California state monument. The most recent addition to the public tours is House A, the oldest and most sumptuous of the small villas. This was where Hearst and Davies, an actress, lived in their final years at San Simeon, from 1945 to 1947. Used by the Hearst family as a vacation retreat until 1976, the house has been returned to its 1920s decor, "It was the house W.R. liked the best," Davies said in her memoir.

In the context of San Simeon, House A has the charm of a miniature. Its gracious proportions are testimony to the restraint Morgan imposed on Hearst's impulses. The plan reflects the architect's love of symmetry. Two bedroom wings are connected by a salon facing the ocean, Hearst's and Davies's rooms are 00 oppo-site ends, with quarters for his valet and her maid directly below. (The guide will tell you how these servants married immediately after Hearst's death),

A large man who felt confined by tubs, Hearst insisted oo a shower, umusual at the time. His den by Harry K. Thaw, the jeal-



Berkeley where a local pundit, Charles Keeler, defined architec-ture as "landscape gardening with a few rooms in case of rain." Morgan was the first woman to study engineering at the University of California at Berkeley.

Next, she stormed the gates of the Ecole des Beaux-Arts in Par-is; in 1898, she became the first woman to study architecture

Morgan returned to California in 1902, and was one of the architects who benefited from the 1906 San Francisco earthquake. An early commission was the rehuilding of the 600-room Fairmont Hotel on Noh Hill. She got the job as a replacement for the New York architect Stanford White. As he was planning his journey to San Francisco, White

ous husband of a showgirl. Evelyn Nesbit.

Morgan's five decades of bay area houses tell the story of changing tastes in California domestic architecture. From 1904 on, she designed in the rustic tradition of Bernard Maybeck, one of her teachers at Berkeley. In these informal redwood houses, like the Colby House in Berkeley, the charm derives from a sensitive ity to construction and material,

rather than applied ornament. But Morgan was by training a master of past architectoral styles. With her knowledge of Enropean models, she executed all the revival styles popular with the huilders of her time. She did not heitate to give her clients English half-timheriog, chalet-style carved balconies, Gothic window treatments and Tudor arches. In

her buildings after 1924 (when a huge fire in Berkeley made redwood unpopular), Morgan increasingly ventured into Renaissaoce and Italian Gothic structures in cast concrete, with tile mofs.

Such unembarrassed eclecticism had become heresy by the time Morgan died in 1957. With the unforgiving spirit of those times, it is not surprising that her reputation languished. But now, with eclecticism once again in fashion, her bay area houses are more popular than ever. They provide a lesson to a new generation in what a thorough educa-tion in architectural history can produce. Even San Simeon a symbol of edecticism gone mad, can be looked upon less sternly as an eccentric museum of architec

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## Nancy, Raisa Cordial

developing between Nancy Reagan and Raisa Gorbachev. In spite of the noticeable chill between the two first ladies during the Washington summit, there apparently will be an attempt at a greater civility at the May summit meeting in Moscow. Mrs. Reagan has written a letter to Mrs. Gorbachev saying she is "anticinating with pleasure" Renoir was sold privately in Rom. perform.

"Chess," the British musical hit, drew mixed reviews when it opened on Broadway. The plot, reworked a bit from the London production, is cist Manuel Cardona shared the review of the plots of the london production of the london production of the london production of the london shared the london production of the london production

ert Joffrey, Gian Carlo Menotti, the human rights group members said: composer and founder of the festival, confirmed in Rome. The Joffrey Ballet will open the season with an Italian premiere of "Light Rain," a ballet characterized by its original choreography and presentation of new American dance trends. The company will also present its reconstruction of Vaslav his wife, Pattie Boyd, filed papers.

There seems to be some detente that signaled the birth of modern developing between Nancy Resigns dance in 1913. The 1988 festival

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a letter to Mrs. Gorbachev saying she is "anticipating with pleasure" Renoir was sold privately in Rottles for the Soviet Union and is baix, France, for \$1.7 million delooking forward to the official diners they will share. In a previous Experts say the painting of a naker letter to Mrs. Reagan, Mrs. Gorba-woman reclining on a green cushletter to Mrs. Reagan, Mrs. Gorba- woman reclining on a green cash-chev expressed how pleased she ion was too erotic to be a real was "to have the opportunity to meet you again." She invited the Reagans to a state dinner at the Kremlin, and the Reagans will bost in the northern French town of: a reciprocal dinner for the Soviet Marcq-en-Barocul. Dassonval sa header and his wife at the U.S. Embedder Dave Brubeck and his quartet to vocative a pose to have been the perform. vocative a pose to have been the work of Renoir," he said. Neither seller nor buyer was identified."

atile and vulgar American chess champion (Philip Casnoff), his Soviet opponent (David Carroll) and for medicine Severe Oction chair the American's second (Judy the two men for the prize for the Kulm), a Hungarian refugee who respective contributions to physics falls for the Russian at the drop of a and quantum physics mathematical. rook. In The New York Times, cal symmetries. The prize consists Frank Rich wrote: "Rather than of 2 million pesetas (about condescend to throwing the audience a bone of genuinely romantic or melodramatic entertainment the Robert F. Kennedy Hundarian Characteristics." or even providing a tense chess Rights Award in a ceremony in game — the authors pass the time Seoul May 5, a South Korean his game — the annions pass the time security 3, a south remains pontificating about politics in man rights group said. Kin Kenses sweeping generalities." Howard Tae and his wife, in Jae kein, wire the security of the security News that Chess is "a show without a game plan."

The Joffrey Ballet Company has accepted an invitation to open this in Westington But the South Feb. year's Festival of Two Worlds at in Washington. But the South Ro Spoleto, Italy, despite the death rean government refused to allow earlier this year of its founder, Robits two to visit the United States ..... TO

Arthur Ochs Sulzberger of The New York Times has been eleged chairman of the American News paper Publishers Association.

Nijusky's choreography for "Le in London to end their nine year Sacre du Printemps," the ballet marriage.

#### **PERSONAL MESSAGES**

MAY THE SACRED HEART OF JESUS served throughout the world, now and forever Socred heart of Jesus, pray for us Sount Jude, worker of mirades, pray for us Sount Jude, help of the hepeleas, pray for us Soy this prayer nine times a day, by the ninth day your prayer will be arraweed. It has never been known to fail Poblication must be promised. MEB.

SERING INFORMATION concerning the descendant of a Russian lamily sugardly from Irtusk 1912 Fathers Poul J Berlinsky, daughters, Nacia, Ferso, Luba, Naria, Naria, Perso, Luba, Naria, Naria, Perso, Luba, Naria, Naria, Pesse write Alex d'o L Teocher, P.O. Bos 813, La Jolla, Cofforma 92038 USA wanted to thank you for the best birthday ever I love you Paul.

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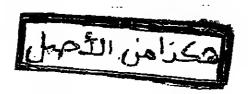
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